

How to open a UK nursery setting Advice from an Ofsted Outstanding nursery owner

An in-depth guide



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What does it take to open a brand new nursery school in the UK? We interviewed nursery owner, Ash Pajpani, who has previously led nurseries to Ofsted Outstandings on how it can be done successfully.

Check out his expert advice





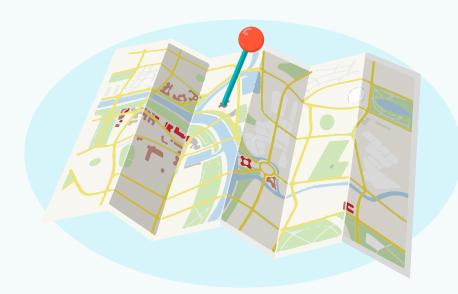
The first step to opening a nursery setting in the UK

Step number one may come as a surprise, but the first thing you should be thinking about when opening a nursery setting in the UK is your location. A key determinant of the future success of your planned nursery is based on where your business is physically located. The main question you want to ask yourself is: Does this location have the demand or need for the specific type of services that I want to offer?

For example, if you are considering opening up a Montessori setting, and in your researched location there are other Montessoris present, this may point to this location being potentially profitable because there is already a need for it. However, you also want to make sure that the market isn't flooded.

"The importance of choosing your location cannot be stressed enough. If you are in a market that is too saturated or if the demand just simply isn't there, it will be much more difficult to succeed," *Ash Pajpani , Ofsted UK nursery owner.*







Finding premises

To find your ideal premises will also take a fair amount of time. This is often one of the most challenging tasks of setting up a brand new nursery in the UK. However, recently this has been made easier due to the loosening of planning restrictions.

There are broader categories for locations. A building that was previously used as an office can be turned into a nursery without needing a full planning application. Thanks to the Use Class E, which opens up your access to more locations!

However, it should be noted that this does not take away the fact that a nursery requires certain key criterias. These include: the right amount of space, outdoor space for children to play, and parking for parents to be able to park on site.



5 most important things to remember about opening a setting

If we had to identify the top 5 most vital things to remember when it comes to opening a setting, what would they look like? What immediately comes to mind are the following: location, having a clear vision, USP, staff planning, and the look and feel of the setting.

Location

We go into detail about this above. Jump back to it.

Having a clear vision

Have a clear vision of the type of offer you want to have – and ensure that this coincides with the demographic of your chosen location. Are you going to offer full day care (traditionally 8am to 6pm) and if so, is there a demand for that by there being a high amount of working parents/ other settings with a similar structure?





😽 USP

Decide on your core focus from an education perspective. Is it Montessori, Reggio Emilia, a focus on the outdoor environment? This relates to your USP – what makes your nursery special and different?

_i Staff planning

Consider your staffing plan: will you as the founder/ owner be the manager to start with or will you need to hire someone? How many staff will you need to start? How does this align to the number of children? What will your staffing expansion plan look like and, most importantly, how will you find these qualified professionals?

Look and feel of the setting

The look and feel of your nursery is essential as well. From your physical environment (classrooms etc.), to the colours that set the tone and feel. Will they be neutral, or bright and colorful? Think about what your brand will look like. How will it be eye catching to potential parents?





Avoid underestimation

Acquiring staff is often underestimated. How do you find a pool of these suitably qualified people? The Early Years sector has a very competitive hiring market, so it's also the case of 'how do I retain these people?' once you've actually got them on board.

Secondly, do not underestimate the investment requirements. Getting started with any new business, particularly one that operates in the service sector and has a physical location, there is the obvious investment of getting the location up to standard where it can open (furniture, fittings, resources etc).

But also the ongoing costs which the business needs to fund until it reaches a point where it's self-funding from fees from your paying parents. Fundamentally, you will need a certain number of staff to ensure your setting is running optimally: a chef to cook meals, someone managing invoicing, practitioners and so on.





How to keep your focus/motivation

What can you do to keep your focus and motivation when first starting your business?

"As with opening any business, it's very challenging when you open a nursery setting in the UK. Having that vision of what your business can be and become will get you through the plentiful hardships you will undoubtedly face," – Ash Pajpani, Ofsted UK nursery owner.

From running out of money, to struggling to source staff, to revisiting marketing tactics that you initially thought would work but didn't. The list goes on. But after all this hard work, seeing children happy and learning in your setting, and seeing your business flourish is incredible and massively rewarding. Remember that what you're providing are the first steps in a child's education journey.





What does it cost to open a setting in the UK

How much does it cost to open a brand new setting in the UK? And what does a breakdown of a beginning budget look like? The short answer is that it depends. It depends on the size and location of your premises. Whether you are renting or leasing can also contribute to your costing. Any renovation works done may add up as well. And if you're purchasing the building then often there is a mortgage which needs to be paid.

Then there are all of your purchases like teaching resources, furniture, outdoor play equipment which all add up. There are also professional fees for insurance and often you will have to work with external services to register your new setting with Ofsted. Plus there are the costs for marketing, open days, ongoing leases/mortgages, and staff costs. These will amount to about 70–80% of your costs.

"Add a margin of your budget for unforeseen costs. Because they will come up. You can spend hundreds of thousands of pounds, or thousands of pounds. It is definitely possible to open a nursery in the UK with a more limited budget,"

Ash Pajpani , Ofsted UK nursery owner.





Prioritise marketing



How important is marketing when it comes to opening a business and how much should owners expect to spend on this when starting? What type of marketing strategies can you do?



Once you have a set vision that you want to market to parents, this will be communicated in so many different ways. Number one would be your website. When it comes to this digital marketing channel, compelling imagery is essential. Describing your ethos on your website is vital as well.



And for alternative print marketing routes, you may want to give out prospectuses to visiting parents, branded bags, colouring books and crayons- or other sources of memorabilia of your setting to keep you in their minds even after they've left your premises.



To get people through your door, online advertising is often an effective place to start. From Google Ads, to Social Media ads and more. But don't forget physical marketing as well. A banner or sign is often a good marketing channel. Your marketing will come down to the initial costs (such as your website/ branding) and the ongoing costs like online ads and memorabilia.



Why not look at specific organisations that tailor themselves to the preschool market? Check out Flourish; they are able to provide marketing services specifically aligned to the needs of Early Years settings.



What to expect in those first 6 months

In those first 6 months expect to wear many hats! You will be not only the owner, but also the finance manager, recruitment manager, and safeguarding manager as well. There will be a few road bumps. But when the work bears fruit, and you have a nursery business that's established with a trusted staff team, you are able to reach for the stars.



Checklist of what to do before opening day

If you were to put a checklist together of the 10 most important things to achieve/ do before opening day, what would they be? There are the procedural tasks that include: Ofsted registration, putting insurance in place, sorting services and utilities, hiring staff, organsing policies and procedures, and designating roles (e.g. fire marshal and first aid officer).

But, also, there is the shared excitement and understanding in your staff team that you're in for an exciting ride of opening a new business. Some things may not be as formed as they need to be, but if there is a collaborative sense, obstacles will be overcome.





The first day might be anticlimactic

What does opening day look like for a brand new nursery? You might have an anti-climatic first day as you may have a relatively small amount of children with which to start. But this is where focus and effort on your open days comes into play. It's vital that you invite groups of parents to come and visit your setting.

When you have the parent through the door, this is your opportunity to sell it. Make sure the setting is pristine. Make sure that parents are able to see clearly what learning for their child would be like at your setting with teaching materials and displays set up. This visualisation is essential.





How to create your own nursery business plan

For your business plan, you need to have a clear budget and financial model. Especially for funders. The plan needs to indicate where the money will be spent, and how and when you will get your business to a point where the revenue covers your costs. And therefore you will be solvent and financially viable. Make sure that the offering is clear. When reviewing your plan make sure you answer:

- What is your USP?
- Why is this a compelling proposition?
- How do you know that your chosen demographic has a need for your offer?

There are ample tools, documents, research and reports that can help you with your research to determine this. For example, you can look at birth rates in your chosen area, and even your competitors' statistics. Every local authority produces a childcare sufficiency assessment which provides an overview of how sufficient the amount of childcare in their local area is and where there may be gaps.





Nursery schools and remote working

How can owners make remote working operate successfully at nursery settings? Many of the office-related jobs that are part of a nursery setting are able to be conducted from a remote work space. This includes your staff members such as administrators, financial officers, managers and so on. However, this flexibility proves to be restricted when it comes to the practitioners and teachers themselves due to the need for in-person learning at this young age.

"Nursery is all about educating children on site and so it is one of the few industries that didn't see much change during the general shift towards remote working as a result of the Covid–19 pandemic. That being said, on a managerial level there are opportunities to operate successfully online thanks to the tools we are all familiar with (such as Teams, Zoom, Google Meet)," Ash Pajpani, Ofsted UK nursery owner.







As with starting any new business, the adventure of opening a brand new nursery in the UK comes with many challenges. Both predicted and unforeseen. But, it also comes with the ultimate reward: providing the best possible start to a child's education journey.

And there are multiple routes, resources, and tools available to take to ensure that your nursery becomes an Outstanding one.

