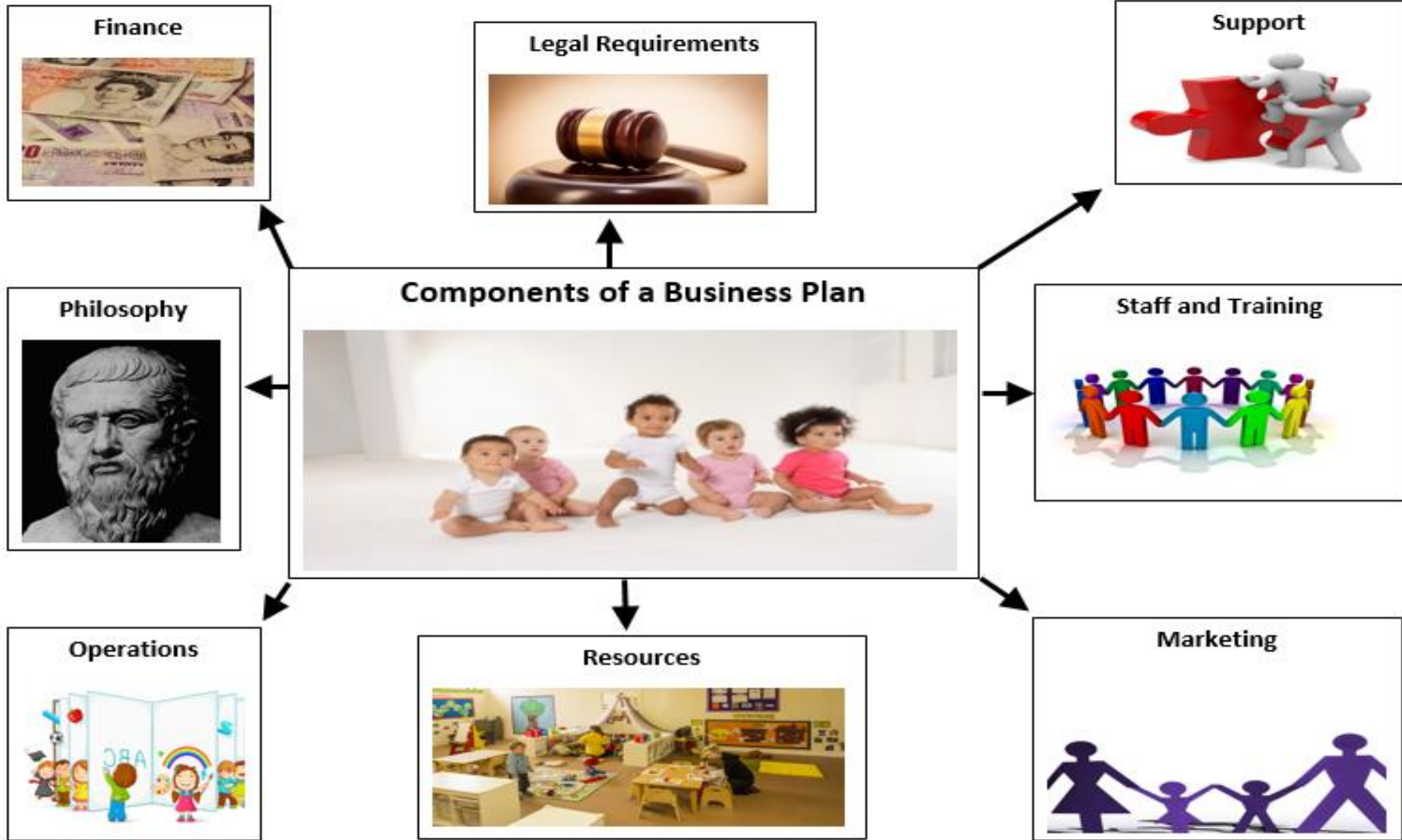


30 Hours Business Planning Session

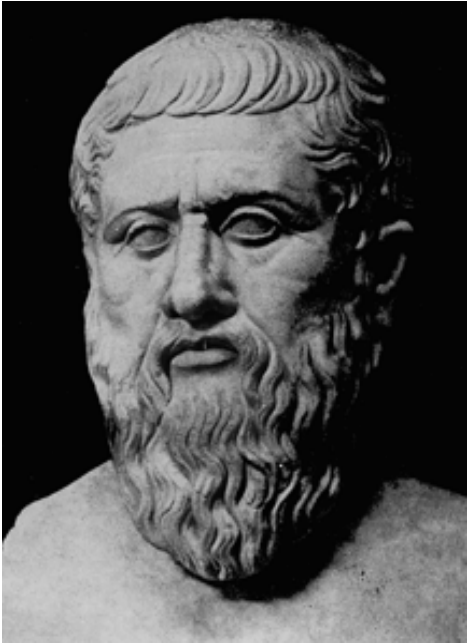


Welcome

Introductions

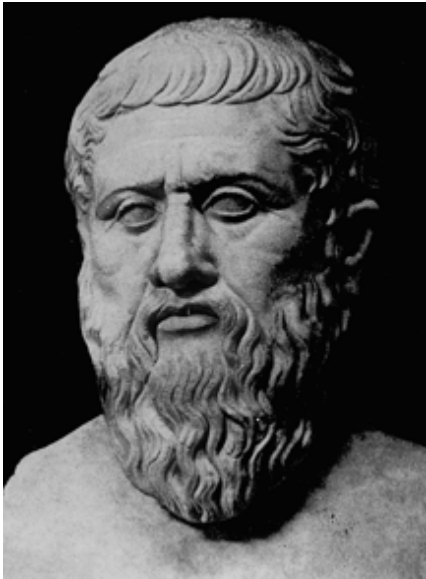


Your Business Philosophy



- Look at the checklist
- Answer honestly yes or no to the questions

Your Business Philosophy



- Remember different customers have different requirements
- Businesses will evolve to fulfil the customer requirements
- You need to decide! What are you selling, to whom, at what price

Resources you have or will require to enable successful delivery of 30 hours



- Your premises?
- Equipment & Furniture?
- Toys and Activities?
- Staff?

Operations – The children



- Are all your policies and procedures up to date
- Do you have daily routines. If yes are these communicated to parents
- Do you keep effective records
- Are you following EYFS
- Are your parents aware of all the policies and procedures
- By increasing your quality and customer service you should be able to increase your sales and profit

Marketing



- How can I fill up vacant spaces?
- Who should I target. How?
- How do I know if my customers are happy?
- Does my information leaflet provide enough information to potential customers?

Marketing



- Complete the Marketing self assessment form
- You should be able to identify areas you might want to develop in regards to marketing
- Marketing your setting will help your business remain financially viable as you will encourage more children and sell more sessions

Staff and Training



- How many staff do you need?
- What level of staff are required?
- Is staff training required?
- Is the required training available to purchase?
- Who can you purchase the training from?
- Is the training value for money?
- Do you have a training budget?

Support – Who can provide you with advice and guidance



- NYCC – Early Years Business Support
- Family Information Services
- National Day Nurseries Associated (NDNA)
- Pre-School Learning Alliance (PLA)
- PACEY
- HM Revenue and Customs
- [Direct.gov](https://www.direct.gov.uk)

Legal Requirements



- OFSTED – EYFS requirements
- Environmental Health – Food Hygiene
- Disability Discrimination Act
- Health & Safety Regulations
- Data Protection

Lots more

Comfort Break

Finance & Money



- How much profit will the business make ?
- Is the business viable ?
- Can I afford to expand ?
- Should I close ?
- What salaries can I afford to pay ?
- How do I record business transactions income and expenditure ?
- Should I give discounts ?

Finance & Money



What does my occupancy look like at the moment

- How full are you – Please complete the occupancy calculator
- How much income will you receive each week
- When will this income be received
- What is the value of the discounts offered

Business Planning

Occupancy Calculation

	Maximum Places based on current staffing			Sessions Sold			Sessions Unsold		
	AM	PM		AM	PM		AM	PM	
Monday	16	16		10	12		6	4	
Tuesday	16	16		8	4		8	12	
Wednesday	24	24		20	16		4	8	
Thursday	24	24		16	23		8	1	
Friday	16	16		12	4		4	12	
Weekly Total	96	96		66	59		30	37	
Total	192		A	125		B	67		C

Percentage Full

65%

B divided by A x100

Average Sessional Price	X	Number of Sessions Unsold C	=	Weekly Value of Unsold Sessions
£ 15.00		67		£ 1,005.00

Weekly Value of Unsold Sessions	X	Number of Weeks per year open	=	Annual Value of Unsold Sessions
£ 1,005.00		39		£ 39,195.00

Finance & Money



Setting your selling price

- You need to understand your breakeven point
- Anyone can sell childcare at £2.00 per hour. If this costs £5.00 per hour you will probably sell lots. Each time you sell sessions you will be making a loss
- To calculate a basic breakeven point you will require the following information:
 - Staffing costs
 - Premises costs
 - Other costs
 - Number of hours open per year
 - Desired hourly rate you would like to charge your customers

Breakeven Calculator

Expenditure	£
Annual staffing costs	85,000
Annual premises costs	20,000
Annual other costs	10,000
Total annual cost	115,000
Hours Open each week	60
Number of weeks setting is open per year	40
Number of Hours open per year	2400
<i>(Total hours open each week x number of weeks open per year)</i>	
Desired/Average Hourly Rate	5
Number of children required each hour to breakeven	9.6
<i>(Total annual costs/number hours open each year)/hourly rate</i>	

Delivery of 30 Hours



Lets start by looking at a SWOT Analysis for your setting

- Strengths
- Weaknesses
- Opportunities
- Threats

Delivery of 30 Hours - SWOT



Strengths

- Established business
- Existing client base
- Competative fee structure
- Recognisable Brand
- Location

Delivery of 30 Hours - SWOT



Weaknesses

- High start up costs
- Limited ability to make a significant profit
- Government Funding
- Difficulty in recruiting and retaining staff
- Location

Delivery of 30 Hours - SWOT



Opportunities

- Expansion
- Delivery of 30 hours (expansion of market)
- Expand customer base
- Review fee structure and business model to meet the requirements of 30 hours

Delivery of 30 Hours - SWOT

Threats



- Other childcare providers offering greater flexibility
- Reduced level of funding from the LA
- Expectation of parents, expecting 30 hours
- Unable to offer enough places
- Unable to offer flexibility that meets with parental requirements

Delivery of 30 Hours – Financial Impact



- How much income do I currently receive from 3 & 4 year olds
- What % of children will receive extended entitlement
- How much income can I expect to receive for 3 & 4 year olds in the future
- What is the impact on my bottom line
- How many extended places can I afford to offer without it impacting on my business

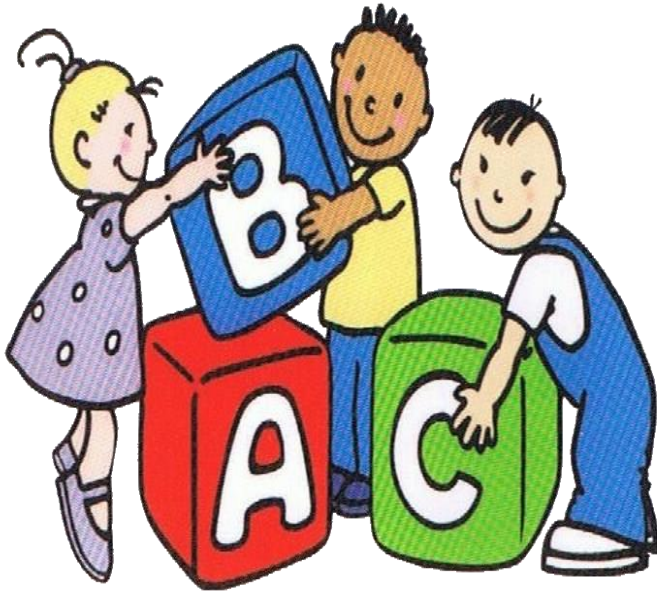
Financial Impact of 30 hours

Your current Childcare Sales	Price per hour	Hours sold per year	Income	
0-2	£ 5.00	5000	£	25,000
2 Year old free entitlement	£ 4.97	6000	£	29,820
2 Year old paid for hours	£ 5.00	6500	£	32,500
Total Income for under 3's			£	87,320
3 & 4 Year old universal 15 hours	£ 4.16	8500	£	35,360
3 & 4 Year old additional hours - NON WORKING parents	£ 4.50	1000	£	4,500
3 & 4 year old additional hours WORKING HOURS parents	£ 4.50	9500	£	42,750
Total Income for 3 & 4 Year Olds			£	82,610
Total income for setting			£	169,930
ANALYSIS OF SALES 3 & 4 YEAR OLDS ONLY			WHAT IF	
Total Income for 3 & 4 year old sales	£ 82,610		Estimated % of Eligible Children	75%
% of 3 & 4 year old income which comes from universal 15 hours	43%		30 hours rate	£ 3.90
% of 3 & 4 year old income which comes from working parents	52%			

CURRENT INCOME AND EXPENDITURE		FORECAST DEMONSTRATING IMPACT OF 30 HOURS	
		Assuming these values do not change	
Income		Income	
0-2	£ 25,000	0-2	£ 25,000
2 Year old free entitlement	£ 29,820	2 Year old free entitlement new rate £5.20	£ 31,200
2 Year old paid for hours	£ 32,500	2 Year old paid for hours	£ 32,500
3 & 4 universal 15 hours	£ 35,360	3 & 4 universal 15 hours (at £3.90)	£ 33,150
		3 & 4 Year old additional hours (eligible for 30 hours)	£ 27,788
3 & 4 Year old additional hours - NON WORKING parents	£ 4,500	3 & 4 Year old additional hours - NON WORKING parents	£ 4,500
3 & 4 year old additional hours WORKING HOURS parents	£ 42,750	3 & 4 year old additional hours WORKING HOURS parents	£ 10,688
Other Income	£ 5,000	Other Income	£ 5,000
Total Income	£ 174,930	Total Income	£ 169,825
Expenditure		Expenditure	
Total Expenditure	£ 155,000	Total Expenditure	£ 155,000
Surplus/Deficit	£ 19,930	Surplus/Deficit	£ 14,825
		Financial impact of 30 hours	-£5,105

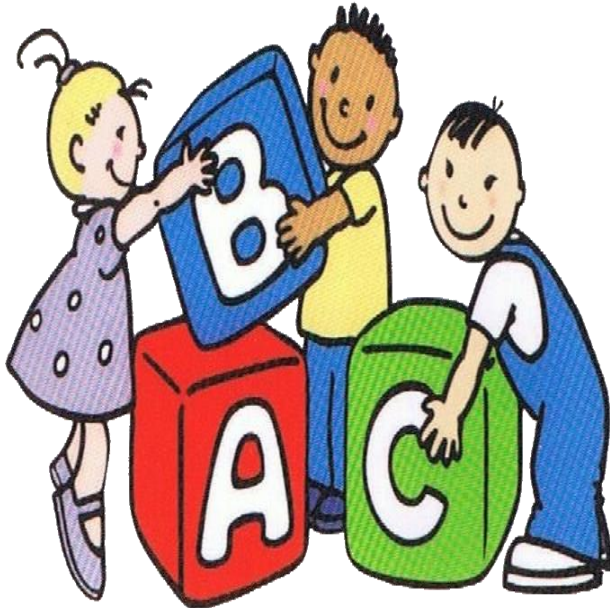
CURRENT INCOME AND EXPENDITURE		FORECAST DEMONSTRATING IMPACT OF 30 HOURS	
		Assuming these values do not change	
Income		Income	
0-2	£ 25,000	0-2 - £5.50 per hour	£ 27,500
2 Year old free entitlement	£ 29,820	2 Year old free entitlement new rate £5.20	£ 31,200
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3 & 4 Year old additional hours - NON WORKING parents	£ 4,500	3 & 4 Year old additional hours - NON WORKING parents £5.50	£ 5,500
3 & 4 year old additional hours WORKING HOURS parents	£ 42,750	3 & 4 year old additional hours WORKING HOURS parents	£ 13,063
Other Income	£ 5,000	Other Income	£ 5,000
Total Income	£ 174,930	Total Income	£ 178,950
Expenditure		Expenditure	
Total Expenditure	£ 155,000	Total Expenditure	£ 155,000
Surplus/Deficit	£ 19,930	Surplus/Deficit	£ 23,950
		Financial impact of 30 hours	£4,020

Delivery of 30 Hours – Operating Models



- 30 hours can be accessed between 6am and 8pm
- Maximum funded session 10 hours per day
- No minimum length for funded session
- Maximum of 2 sites per day (Awaiting DFE Clarification)
- 1140 hours per year from Sept 17
- 380 hours for the Summer 17 term
- 30 hours must be offered free at the point of delivery, with no conditions

Delivery of 30 Hours – Operating Models



- 30 hours over 3 days – 10 hours per day (38 weeks a year)
- 30 hours delivered over 5 days – 6 hours a day (You can determine the times of the delivery hours)
- 22.80 hours per week – 50 weeks per year
- Funding per term will be based on 12.67 weeks