



Getting ready for  
September 2018 - a  
reflection on 30 hour  
delivery in Bradford

# Aims

- Consider national and local progress.
- Establish a shared understanding of the successes and challenges experienced during the first year of delivering 30-hour places.
- Support childminders in Bradford to review existing delivery and identify any changes for September 2018 to ensure sustainable models which work for their business and their families.
- Support childminders to create a one page action plan setting out the next steps and actions that need to be taken.

# Agenda

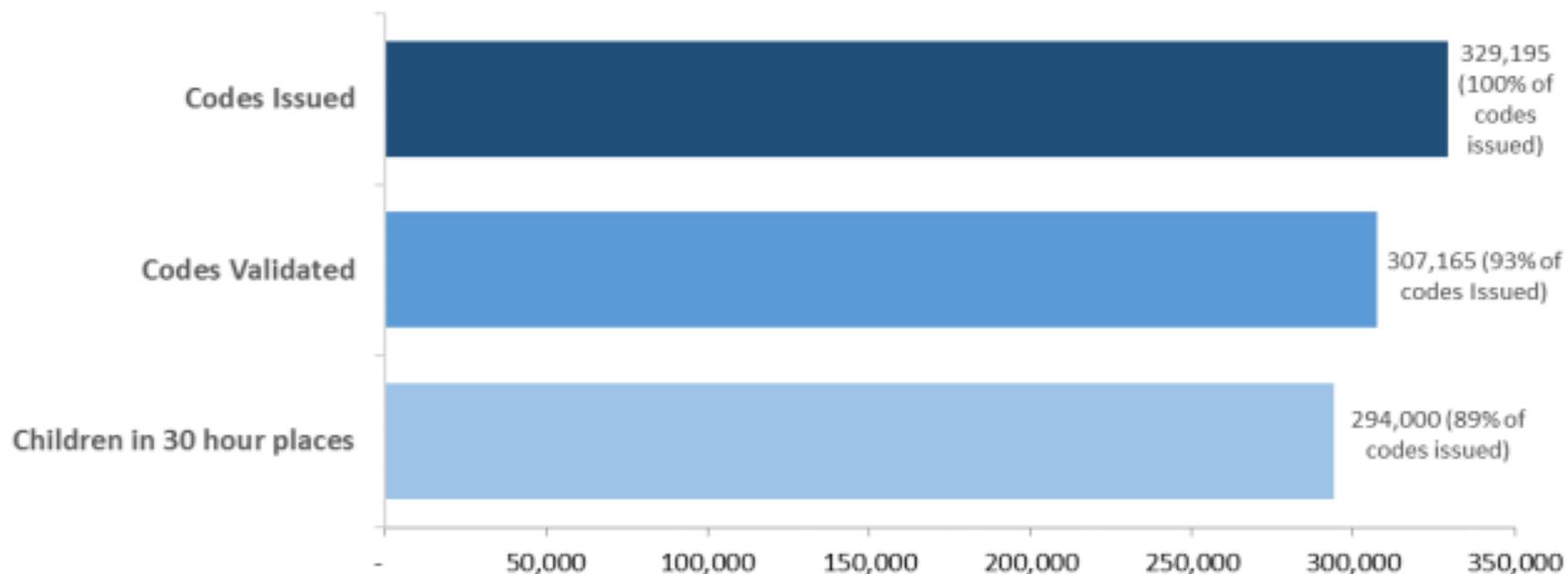
- Welcome, aim and introductions
- Setting the scene – where are we now?
- The business planning cycle
- Guidance, funding and sustainability
- Admissions – managing parental expectations
- Partnership working
- Action planning and next steps
- Summary, evaluation and close

# Where are we now?



# Where are we now?

**Figure A: Comparison of children in a 30 hours place with eligibility codes issued and validated**



# Where are we now ?

- Tax free childcare has been extended to include parents whose youngest child is under the age of 12, or under 17 for disabled children.
- The Department for Education published 'Unlocking Talent, Fulfilling Potential: a plan for improving social mobility through education' - A new social mobility action plan, with continued reference to least advantaged two-year-olds. Available at:

[www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/667690/Social\\_Mobility\\_Action\\_Plan\\_-\\_for\\_printing.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/667690/Social_Mobility_Action_Plan_-_for_printing.pdf)



# Where are you now ?

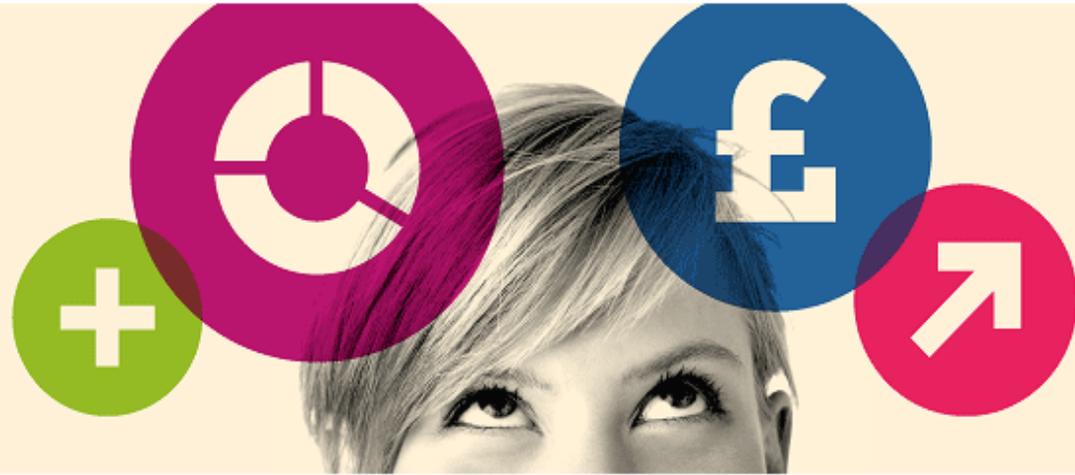
- Who are you?
- How are you delivering the early years entitlements?
- What successes can you share?
- What challenges/issues are you still grappling with?

# Business planning - 10 steps to assist you review and prepare for September 2018



# business smart

for childminders



in association with



## Business Smart

Welcome to Business Smart. Developed by childminders for childminders, funded by the Department for Education and produced in association with Lloyds Bank, Business Smart is a collection of ideas, inspiration and tools to help new and existing childminders in England develop a sustainable business.

### ▶ Starting out

You'll find top tips, videos, case studies, downloadable tools and other essential ideas to help you make the most of your business. And let us know what else you need to see - this is a developing, growing resource that's here to help you. [Read more about Business Smart.](#)

### ▶ Ideas and inspiration

### ▶ Business planning



<https://www.pacey.org.uk/business/>

## My Business Plan

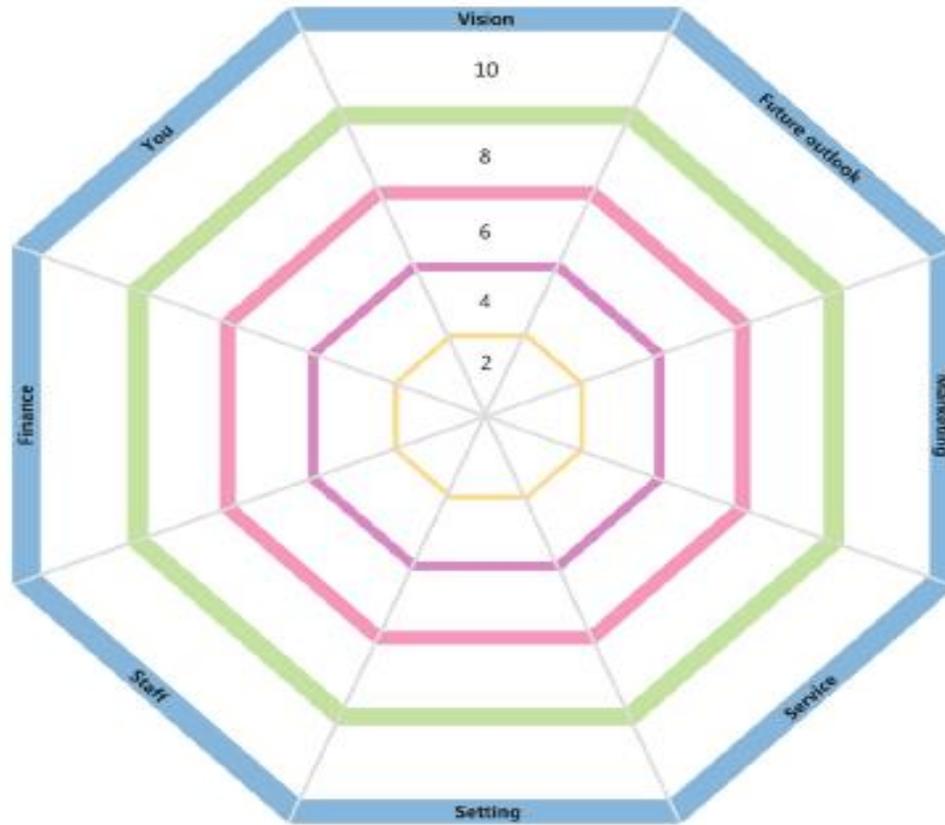
---

### Section 1 – Marketing plan

Name of business:	
Business description: <i>(Describe the services you will be providing)</i>	
Aims and objectives: <i>(What are you hoping to achieve over the next 12-18 months?)</i>	
My unique selling points: <i>(What sets you apart from the competition?)</i>	

**Business name:**

**Date of review:**



# A health check for September 2018

Understand your business

- What has happened since September 2017?

Understand the local market in which you work

- How did providers around you respond?
- How are they delivering 30-hours?
  
- Understand the needs of families
- What do families starting in September 2018 need?
- Is it what you offer?
- What is different?

# Operational guidance - funding

- Government funding is intended to deliver 15 or 30 hours a week of high quality, flexible childcare.
- DfE states funding is not intended to cover the costs of meals, other consumables, additional hours or additional activities.
- DfE states that parents can therefore be asked to pay for such services offered by the provider alongside their free entitlement.
- Where parents choose to purchase additional services, this is a private matter between the provider and the parent.
- However, providers must offer alternative options for parents.

# Operational Guidance – Additional services

- Picking up or delivering a child to nursery classes or playgroups (if these fall outside the funded hours taken with the childminder)
- On-call service while the child is at another provider and needs to be collected unexpectedly

<b>Before 9am Childminder charges for care, transfer to nursery or playgroup and on-call services</b>	<b>9am-12pm Free hours at nursery class or playgroup</b>	<b>12pm-3pm Childminder picks up and provides free hours</b>	<b>After 3pm Childminder charges for any additional hours needed</b>
---	--	--	--

# Operational Guidance – Deposits

Providers can charge a refundable deposit to parents accessing the entitlements .

The purpose of the deposit is to give providers certainty that a parent will take up the place. Local authorities should work with providers to determine a reasonable timescale for refunding deposits to parents. Local authorities and providers should make clear to parents that if a parent fails to take up their place, the provider is not obliged to refund the deposit.

# A financial health check for September 2018

## Understanding your finances

- What does my breakeven look like this year compared to last year?
- Have costs gone up?
- Have there been any changes to funding?

## Managing and monitoring your money

- Have I covered all my costs?
- What has my occupancy looked like across this year?
- What does occupancy for September 2018 look like?

# Understanding your hourly cost - breakeven analysis

<b>Step 1</b>	Calculate your current <b>annual costs</b>		A
<b>Step 2</b>	Calculate the <b>number of weeks</b> the childminding business is <b>open</b>		B
<b>Step 3</b>	Divide figure A by figure B to give the <b>Weekly costs</b>		C
<b>Step 4</b>	Multiply the <b>Sessions per week</b> (e.g. 5) your childminding business offers by the <b>Number of places available each session</b> (e.g. 32) this gives the total <b>Number of places per week</b>		D
<b>Step 5</b>	Divide figure C by figure D to give the <b>Breakeven fee per session</b> assuming full occupancy at each session		
<b>Step 6</b>	Calculate breakeven hourly rate		

<b>Calculate the fees assuming 75% occupancy</b>			
<b>Step 1</b>	Multiply the figure D by 75%		E
<b>Step 2</b>	Divide figure C by figure E to give the <b>Breakeven fee per session</b> assuming 75% occupancy rate at each session		F
<b>Step 3</b>	Calculate breakeven hourly rate		

# business smart

for childminders



## Business Smart

- ▶ Starting out
- ▶ Ideas and inspiration
- ▶ Business planning
- ▶ Marketing
- ▶ Finance
- Finance best practice

## Childminding costs calculator



Do you know how much it costs you to offer an hour of childcare? Not what you charge parents, but what it actually costs you? This information is vital to being able to run a successful business.

Our childminding cost calculator will help you think about the various expenses that come with running a childminding business - from essential insurance to paper for your printer. Enter the number of places you offer and we can help you calculate the cost of the childcare you provide.

If you are considering offering the early years entitlement, enter your local authority rate to help you assess whether this is right for you and your business.

You may also find our [Excel-based calculator](#) useful to work out staff costs.

Please remember that the Childminding cost calculator can only ever provide a snapshot of your potential costs.



# The starting point – work out hourly cost of delivery

<b>SUMMARY OF TOTAL COSTS PER MONTH/YEAR</b>		
Annual and one-off costs	£50.69	£608.23
Staffing costs	£0.00	£0.00
Staff wages	£0.00	£24,000.00
Monthly costs	£561.00	£6,732.00
Utilities costs	£42.00	£504.00
Travel costs	£90.00	£1,080.00
Your wages	£2,000.00	£0.00
10% Wear and tear	£8.33	
<b>TOTAL COST OF RUNNING YOUR BUSINESS</b>	<b>£2,752.02</b>	<b>£32,924.23</b>

<b>FINDING THE HOURLY COST OF PROVIDING A CHILDCARE PLACE</b>	
Your total yearly cost	£32,924.23
The number of weeks per year you work	48
The number of hours per week you care for minded children	50
The average number of children cared for each hour.	3
<b>YOUR HOURLY RATE FOR PROVIDING A CHILDCARE PLACE</b>	<b>£4.12</b>

Yearly cost	£32,924.23
Actual Hours	7200
Hourly cost	<u>£4.57</u>



# Reviewing the options

- What can I do?
- What options do I have?

# Managing parental expectations

- Clear and accessible admissions information for parents which set out the number of standalone 15 and 30 hours places offered.
- Make it clear - which hours/sessions can be taken as funded provision.
- Publish a statement of how the entitlement is delivered and any additional charges for optional activities outside of the entitlement.
- A separate agreement for any additional hours or activities
- Clear invoicing structures in place

# Some key questions to consider

- Does my prospectus, website, admissions policy and any other marketing material set out exactly what my childminding business does?
- Can parents read the material, visit the website and identify how my places are offered?
- Can improvements be made so I can manage parental expectations are effectively?

# Next steps – action planning

- Conduct a review and use any new market research to update your business plan
- Implement your plan – make your changes ready for September 2018.
- Communicate and promote your service and the entitlement to families – existing, new and potential families.
- Review again in Spring/Summer 2019

# Business planning resources

- PACEY – Business Smart <https://www.pacey.org.uk/business/>
- DfE – Early Years business sustainability <https://www.gov.uk/government/collections/early-years-business-sustainability>
- Childcare Works [www.childcareworks.co.uk](http://www.childcareworks.co.uk)
- Foundation Years - <https://www.foundationyears.org.uk/business-sustainability/>