

Appendix 2

Guide to using the financial planning workbook

5.2 Appendix 2: Guide to using the financial calculation spreadsheet

1. Introduction

The financial modelling tool is provided in a separate Excel document so that it can be used by schools in their financial planning and management. This section includes snapshots of the sheets for information and to accompany the following advice on its use.

The financial modelling workbook is designed to:

- Permit financial planning throughout the year
- Allow a school or nursery to reach broad conclusions about unit costs
- Inform their future financial planning for sustainability and charging policies.

You do not have to complete the whole workbook in one sitting or use all of it if you only feel some sheets are useful.

This sheet:

- Should be used to calculate the overall expenditure relating to the nursery and includes a formula for apportioning costs to the nursery where it is part of a school or another building where there are other services.
- Will calculate the percentage occupancy of the nursery and, once you input the whole costs for e.g. utilities, the percentage of apportioned cost will be automatically applied.

You need to know the square footage of the nursery and the whole building and input these. The spreadsheet will then calculate costs accordingly.

There are examples of names of staff and salaries but you can simply remove these and input your real data.

2. Sheets 2 and 3: Children, ratios and income

These sheets allow you to:

- Calculate in one place how many staff you need to meet ratio requirements at the different points in the day, depending on how many children are present.
- Capture staffing levels required for actual numbers of children rather than the capacity of the nursery. This is important in financial modelling since staff is a high cost and overstaffing can threaten sustainability.
- Calculate the income from FEEE and paid hours for each child.

Number of children, age group & ratios	Mon					Tuesday				
	8-9 am	Core hours a.m.	Core hours p.m.	Core hours (full school nursery day)	End of core hours - 6pm	8-9 am	Core hours a.m.	Core hours p.m.	Core hours (full school nursery day)	End of core hours - 6pm
3 - 5 years										
Number of available spaces (3-5) ratio 1:8										
Number of actual children ratio 1:8										
Number of staff ratio 1:8 (actual children)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of staff ratio 1:8 (full occupancy)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of available spaces (3-5) ratio 1:13										
Number of actual children ratio 1:13										
Number of staff ratio 1:13 (actual children)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of staff ratio 1:13 (full occupancy)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of vacancies ratio 1:8	0	0	0	0	0	0	0	0	0	0
Number of vacancies ratio 1:13	0	0	0	0	0	0	0	0	0	0
2 years										
Number of available spaces 2 years										
Number of actual children										
Number of staff ratio 1:4 (actual children)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of staff ratio 1:4 (full occupancy)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of vacancies	0	0	0	0	0	0	0	0	0	0
Under twos										
Number of available spaces under 2s										
Number of actual children										
Number of staff ratio 1:3 (actual children)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of staff ratio 1:3 (full occupancy)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Number of vacancies	0	0	0	0	0	0	0	0	0	0

The ratios are set out as per the presence of a qualified teacher (QTS) for three to five year olds or where the provision is staffed without a QTS out of core hours. Five year olds are included because of the option to include reception children in the out of core hours provision, thereby creating a Foundation Stage Unit for out of core hours early education and childcare.

Calculations can be made on the basis of different staffing options to give a view on which is more sustainable. The hourly rate for staff should be taken from Sheet 1. The staffing in Option 1 staffing are examples which should be removed and replaced with real staffing options.

Staffing options		Option 1 Staffing	Cost per hour Option 1 Staffing	Option 2 Staffing	Cost per hour Option 2 Staffing	Option 3 Staffing	Cost per hour Option 3 Staffing	Staffing costs per week	Running costs per week	Running costs + Staffing costs per week
3-5 years	Monday 8-9	1 deputy + 1 NN	32.05							
	Monday Core hours	1 QTS + 1 deputy + 2NN + 1 NA								
	Monday End of core hours - 6pm									
	Tuesday 8-9									
	Tuesday Core hours									
	Tuesday End of core hours - 6pm									
	Wednesday 8-9									
	Wednesday Core hours									
	Wednesday End of core hours - 6pm									
	Thursday 8-9									
	Thursday Core hours									
	Thursday End of core hours - 6pm									
	Friday 8-9									
	Friday Core hours									
	Friday End of core hours - 6pm									
	2 years									
	Monday 8-9									
	Monday Core hours									
	Monday End of core hours - 6pm									
	Tuesday 8-9									
	Tuesday Core hours									
	Tuesday End of core hours - 6pm									
	Wednesday 8-9									
	Wednesday Core hours									
	Wednesday End of core hours - 6pm									
	Thursday 8-9									
	Thursday Core hours									
	Thursday End of core hours - 6pm									
	Friday 8-9									
	Friday Core hours									
	Friday End of core hours - 6pm									
	under 2 years									
	Monday 8-9									
	Monday Core hours									
	Monday End of core hours - 6pm									
	Tuesday 8-9									
	Tuesday Core hours									
	Tuesday End of core hours - 6pm									
	Wednesday 8-9									
	Wednesday Core hours									
	Wednesday End of core hours - 6pm									
	Thursday 8-9									
	Thursday Core hours									
	Thursday End of core hours - 6pm									
	Friday 8-9									
	Friday Core hours									
	Friday End of core hours - 6pm									

Sheet 3, Children by day and hour, requires manual inputting of the hours each child attends the nursery and calculate income per child from FEEE and charged hours and will automatically calculate the total income per age group, including the EYPP, as well as the total income. It is shown here in two snapshots.

Week 1 commencing (insert date)			Mon					Tuesday				
Child	EYPP (yes/no)	Age	8-9 am	Core hours a.m.	Core hours p.m.	Core hours (full school nursery day)	End of core hours - 6pm	8-9 am	Core hours a.m.	Core hours p.m.	Core hours (full school nursery day)	End of core hours - 6pm
Tom Brown	Yes	3		3.5						3.5		1
Annie Lennox		2				7					7	

Friday													
8-9 am	Core hours a.m.	Core hours p.m.	Core hours (full school nursery day)	End of core hours - 6pm	Total hours	FEEE Hours	Hours charged	FEEE hourly rate	Total FEEE income	Charge per hour for charged hours	Total charged hours income	EYPP Income	Total Income
					23.5	15	8.5	5.00	75	7.25	61.63	7.95	136.63
					21		21		0	7.25	152.25		152.25
					0		0		0		0		0

The amount received from the local authority per child for the Free Early Education Entitlement (FEEE) at the different rates per age will need to be entered in column AF in the sheet and the hourly rate charged for additional hours in column AH. The Early Years Pupil Premium (EYPP) is £7.95 per child per week for 2015-16 but this will need to be changed if this rises in future years. Once again, the names that are in the sheet are just to demonstrate how it works.

This sheet is intended to be used on an ongoing basis.

3. Sheet 4: Accumulative income

This sheet requires manual inputting with the data on the previous sheets. It will provide a weekly total.

Yearly accumulative Income	Week commencing	Number FEEE hours	Number charged hours	TOTAL Income FEEE	TOTAL INCOME Charged hours	TOTAL Other income	TOTAL EYPP income	TOTAL INCOME
Week 1		15.00	29.50	75.00	213.88			288.88
Week 2								0.00
Week 3								0.00
Week 4								0.00
Week 5								0.00
Week 6								0.00
Week 7								0.00
Week 8								0.00
Week 9								0.00
Week 10								0.00
Week 11								0.00
Week 12								0.00

4. Sheet 5: Accumulative expenditure

As per the income sheet, manual inputting of data is required and a weekly total will display automatically.

Yearly accumulative Expenditure	Week commencing	Staffing costs	Other costs	TOTAL Expenditure
Week 1				0.00
Week 2				0.00
Week 3				0.00
Week 4				0.00
Week 5				0.00
Week 6				0.00

5. Sheet 6: Monthly Budget Report

This is designed to ensure that income and expenditure is tracked so that increases in expenditure or decreases in income against budget can be easily identified. The figures in the sheet are, once again, illustrative and should be removed. It is shown here in two snapshots.

	April Budget	April Actual	May Budget	May Actual	June Budget	June Actual	July Budget	July Actual	Aug Budget	Aug Actual	Sept Budget
Fees											
3 & 4 year olds											
FEEE children											
Children purchasing hours											
2 year olds											
FEEE children											
Children purchasing hours											
Under 2s											
Children purchasing hours											
5 year olds											
Children purchasing hours											
Total all fee income											
Other income											
EYPP income											
Expenditure											
Staffing costs nursery											
Other expenditure											

Nov Actual	Dec Budget	Dec Actual	Jan Budget	Jan Actual	Feb Budget	Feb Actual	Mar Budget	Mar Actual	Budget to date	Actual to date	Variance
									0.00	0.00	0.00
									0.00	0.00	0.00
									0.00	0.00	0.00
									0.00	0.00	0.00
						2000.00	2500.00		2000.00	2500.00	-500.00
						2500.00	2500.00		2500.00	2500.00	0.00
									4500.00	5000.00	-500.00
									0.00	0.00	0.00
									0.00	0.00	0.00
									9000.00	10000.00	#####
											TOTAL
									0.00	0.00	0.00
									0.00	0.00	0.00
									0.00	0.00	0.00
											TOTAL