

Planning Your Business

My Business Plan

Name.....

Address.....

Preferred contact number.....



Planning Your Childminding Business

This business plan will help you to plan ahead to ensure your childminding business is sustainable. You will need to consider how you are going to meet your income needs.

It is important that you consider all the factors that will influence the success of your business for example: lack of children in your area; are there already several childcare providers in your area?

You will need to access the Childcare sufficiency data via the Calderdale web site at:

<http://www.calderdale.gov.uk/education/childcare/sufficiency-assessment/index.html>

This will give you an overview of the numbers of children and childcare places in your area,

You will need to consider your unique selling points and how you will market and advertise your business.

Please Note:

We recommend that you review your marketing again at the end of your course as things may have changed.

You need to ensure that the information you are using and giving to parents reflects current legislation.

You must also continually monitor your income needs to ensure your business is sustainable.

Your Personal Income Needs

How to Identify Your Income Needs

You will need to consider; all of your current income and your current outgoings. You will need to look at how much extra you would need to spend to be a childminder and how much you would need to earn to balance your budgets.

You do not need to tell us about your personal finances, but we do need you to write a brief summary of how you are going to balance your budgets.

Predicting Your Income

To predict the possible income and expenditure of your childminding business in your first year, you first need to predict two different combinations of children cared for. This will help you to plan how many children you will want to look after and you will be able to compare this against what you need to earn.

We suggest you complete your options, based on a variety of scenarios. Initially your business may be slow to get started and you may only have one or two children part time. If you take part time children you may limit your options to fit other children around the hours you have already agreed. Completing 2 options will enable you to see if part time children will help you to meet your income needs. You will be also be able to plan your advertising and marketing strategies to maximise your income.

Consider:

- Ofsted will register you for a maximum number of children, taking into account your own children and other factors. It is unrealistic to base your first year's plan on maximum numbers, so we suggest you make your first calculations with between 1 and 3 part time children.
- We suggest that you complete your second set of predictions based on your ideal income.

You can then make a comparison between your likely initial income and your preferred income, this will enable you to focus your advertising and plan on how you are going to manage your finances until you are earning your ideal income.

Working Out Your Start Up Costs

You should consider how much it will cost to register your business and what adaptations you may have to make to ensure your home a safe place for children. You will also need to consider what resources you may need for example; toys, kitchen equipment, furniture, travel accessories – but not consumables like food and nappies.

Provide a fully costed list of adaptations to your home and resources to start-up your business.

Consider:

- Resources and equipment indoors and outdoor
- DBS checks for everyone aged over 16 in the household and the costs of the online update service
- Safety equipment indoors
- Safety equipment outdoors
- Planning permission
- Course cost (£40:00)
- Buggy

Item to be Purchased	Supplier	Cost
Travel cot	Baby supplies	
Health Declaration	GP	
Ofsted registration fee		
DBS check		£52.10/person and £13.00 annual costs (2014 costs)
	TOTAL COST	

Predicting Your Income

In our example Sarah, who has two children of her own aged 6 and 8. She has predicted realistically that she could take 2 children in the first year.

- Child A: Is a 6 month old child who will attend for 6 hours, 2 days per week at an hourly fee of £3.50. Sarah is planning to take 4 weeks holiday per year and her fee structure states she will not charge for holidays so the child will attend 48 weeks.
- Child B: Is a 6 year old child they are entered on our example twice because they require before and after school care for 37 weeks of the year and full time care during the holidays. Sarah is going to charge her hourly fee before and after school and the daily rate in the school holidays, Once again Sarah is taking 4 weeks holiday and is not charging a fee for her holiday.
- In our example Sarah decided to charge £3.50 per hour or £30 per full day. Use the information from your own fee structure to insert your own charges.

Child	Hours / Day		Days /Week	=	Hours /week		Hourly Fee	or		=	Weekly Income		Weeks /Year	=	Annual Income/ Child
A (6m)	6	X	2	=	12	X	£3.50	or		=	£42	X	48	=	£2016
B (7y)	3	X	5	=	15	X	£3.50	or		=	£52.50	X	37	=	£1942
C (6y)	8	X	5	=		X		or	£30	=	£150	X	11	=	£1650
													TOTAL	=	£5608

Predicting Your Income – Option One

Child	Hours / Day		Days /Week	=	Hours /week		Hourly Fee	or	Daily Fee	=	Weekly Income		Weeks /Year	=	Annual Income/ Child
		X		=		X		or		=		X		=	
		X		=		X		or		=		X		=	
		X		=		X		or		=		X		=	
		X		=		X		or		=		X		=	
		X		=		X		or		=		X		=	
		X		=		X		or		=		X		=	
													TOTAL	=	

Predicting Your Income – Option Two

Child	Hours / Day		Days /Week	=	Hours /week		Hourly Fee		Daily Fee	=	Weekly Income		Weeks /Year	=	Annual Income/ Child
		X		=		X		or		=		X		=	
		X		=		X		or		=		X		=	
		X		=		X		or		=		X		=	
		X		=		X		or		=		X		=	
		X		=		X		or		=		X		=	
		X		=		X		or		=		X		=	
		X		=		X		or		=		X		=	
		X		=		X		or		=		X		=	
													TOTAL	=	

Predicting Your Expenditure

Your Weekly Expenditure

We have used a similar format to the National Childminding Association book keeping system for you to record your expenditure. Remember to base your weekly expenditure on the number of children you have predicted in options 1 and 2

Consider the following points below when you complete the tables on pages 14 and 15.

- Food and Drink - estimate how many breakfast, lunch, tea and snacks the children will require per week.
- Toys and Equipment – only include small purchases made weekly, for example: cleaning equipment, pens, paint, and small toys - larger amounts of equipment can be recorded on our annual expenditure sheet.
- Travel and Outings – include daily bus or car journeys such as picking up from school as well as outings.
- Wear and Tear – you can claim 10% of your weekly income against the wear and tear of your home.
- Miscellaneous – is there any other expense you might incur weekly?
- Tax and National Insurance – You will need to speak to HM Revenue and Customs for an estimate of the Tax and National Insurance you may need to pay based on your income. (Personal Tax Allowance 2012 – 2013 £8,105, National Insurance Class £2.50 per week).
- **Mortgage costs cannot be claimed as a childminding business cost.**

Utility Bills

- You can claim a proportionate amount of your utility bills depending on the hours you work, please use the table below to calculate how much you could claim as expenditure.

HOURS WORKED	HEATING AND LIGHTING	WATER RATES	COUNCIL TAX AND RENT	WEAR AND TEAR
40 HOURS	33%	10%	10%	10%
30 HOURS	25%	7%	7%	10%
20 HOURS	17%	5%	5%	10%

OUR EXAMPLE:

Over the four quarters of the year Sarah pays £160, £160, £110 and £110 for gas and electricity combined, that is £540 a year, which is approx £10.40 per week.

Sarah works 40 hours a week so 33% of £10.40 is £3.40 per week.

Sarah can claim £3.40 for each of the 48 weeks of the year that she works.

Predicting Your Expenditure

Annual Expenditure

In addition to the weekly costs your business is going to incur, you will also have annual expenditure.

You will need to consider:

- Registration fee – check Ofsted web site
- PACEY Membership and Public liability insurance —check the PACEY web site for current costs. Morton and Michel. There are other organisations you could purchase insurance from if you wish.
- Telephone – consider the number of calls you might make in connection to your childminding business and then estimate a rough cost.
- Stationery - include cost of paper, any photocopying or office supplies.
- Marketing – will you have business cards, parent information leaflets, posters? Will you design and print them at home or pay a company to do this?
- Other
- Buildings maintenance

Predicting Your Expenditure

Your Predicted Annual Expenditure

	Option 1	Option 2
PACEY Membership & Insurance		
Telephone		
Stationery		
Marketing		
Training		
Other		
Total		

Predicting Your Expenditure – Option One

Your Predicted Weekly Expenditure

Weekly Amount	Food & Drink	Toys & equipment	Heating & Lighting	Water & Council Tax (and Rent if applicable)	Travel & Outings	Wear and tear	Misc	Tax & National Insurance		Total
Term Time									=	

Now transfer the totals from the above boxes to the table below which will show the amount you will spend over the whole year.

Now Calculate How Much Your Weekly Expenditure Will Cost For A Full Year

Total		The number of weeks you are working		Yearly Amount
	x		=	

Predicting Your Expenditure – Option Two

Your Predicted Weekly Expenditure

Weekly Amount	Food & Drink	Toys & equipment	Heating & Lighting	Water & Council Tax (and Rent if applicable)	Travel & Outings	Wear and Tear	Misc	Tax & National Insurance		Total
Term Time									=	

Now transfer the totals from the above boxes to the table below which will show the amount you will spend over the whole year.

Now Calculate How Much Your Weekly Expenditure Will Cost For A Full Year

Total		The number of weeks you are working		Yearly Amount
	x		=	

Your Potential Profit or Loss

- Now use the table below to estimate whether you might make a loss or a profit.

	Option One	OptionTwo
Predicted Annual Income (from fees)		
minus	minus	minus
Start up costs		
Your one off annual costs		
Your annual expenditure		
=	=	=
Profit or Loss?		

- We recommend that your profit meets your income need.
- We recommend that you need to be able to predict a profit from one of your options

YOU need to decide if you have a sustainable business plan and if you want to continue to be a childminder

Unique Selling Point

A unique selling point is something that you do that makes you stand out from the crowd.

Please state what your unique selling point will be: