



How to guide: Modelling considerations

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Using the business map



1. 'What's changing' section.
2. Use tools to 'find out more'.
3. Identify the risks.
4. **Consider ideas and options.**
5. Return to risks and think about actions to reduce/remove them.
6. Complete the action plan and monitoring tool.

Changes

- Employment has changed
- Working habits are different e.g. working from home
- Parents' confidence varies
- Costs of living

Their impact

- Different need for childcare, reduced or increased?
- Different financial arrangements, reduced/increased ability to pay?
- Greater appetite for funding support

Risks

- Lower occupancy
- Reduction in paid for hours
- Reduced income
- Increased competition
- Increasing costs
- Workforce pressures

What can we do?

- Understanding and managing costs
- Increasing occupancy
- Maximising paid for income
- Maximising funding (where applicable)
- Explore new opportunities

Modelling to maximise funded income across in full daycare

Funded two-year-olds	Sessional Income	Daily Income (based on 8 children am and 8 children pm)	Weekly Income (based on a 5-day week)	Yearly Income (based on 38 weeks)
Income per child, £5.49 per hour 3-hour sessions 5 sessions = 15 hours	£16.47	£263.52	£1,317.60	£50,068.80
Income per child, £5.49 per hour 5-hour sessions 3 sessions = 15 hours	£27.45	£439.20	£2,196.00	£83,448.00

Modelling to maximise funded income across in full daycare

Funded three-and-four-year olds	Sessional Income	Daily Income (based 8 am and 8 pm)	Weekly Income (based on a 5-day week)	Yearly Income (based on 38 weeks)
Income per child, £4.03 per hour 3-hour sessions 5 sessions = 15 hours	£12.09	£193.44	£967.20	£36,753.60
Income per child, £4.03 per hour 5-hour sessions 3 sessions = 15 hours	£20.15	£322.40	£1,612.00	£61,256.00

The financial benefits of modelling term-time funded offers across a 10-hour day

10-hour day x 3 days a week	Monday	Tuesday	Wednesday	Thursday	Friday
Place 1	Child 1			Child 2	Child 3
Place 2	Child 3		Child 4		
Place 3	Child 2		Child 5		

- The funded income from these three places (at a funded rate of **£4.03** increases from the **£13,782.60** for the traditional 9.00am to 3.00pm model to **£22,971.00**
- This is achieved as there are now five children accessing their full 1,140 entitlement in three spaces instead of three children.

Funded entitlements offered at eight hour days for 47.5 weeks of the year

Place	Monday	Tuesday	Wednesday	Thursday	Friday
8-hour day x 3 days a week					
Place 1	Child 1			Child 2	Child 3
Place 2	Child 2		Child 4		
Place 3	Child 3		Child 5		

Each colour block is a 24-hour place or two 12-hour places. An increased income is achieved as there are now five FTE using the three places instead of three children.

The funded income from these three places used for four-hour places for two-year olds increases (at a funded rate of **£5.49** it increases from **£18,775.80** to **£31,293.00**).

- The funded income from these three places used for universal places or 30-hours (at a funded rate of **£4.03**) increase from **£13,782.60** to **£22,971.00**
- Families may not purchase additional hours outside of the eight-hour day which would result in two hours in a day where there was no income. Staff deployment would need to reflect the reduced occupancy for the hours at each end of the day if not purchased.

Funded entitlements offered at six hour days for 47.5 weeks of the year

Place	Monday	Tuesday	Wednesday	Thursday	Friday
Place 1	Child 1	Child 1	Child 1	Child 1	Child 2
Place 2	Child 3	Child 3	Child 2	Child 3	Child 3
Place 3	Child 4	Child 4	Child 4	Child 2	Child 4
Place 4	Child 5	Child 2	Child 5	Child 5	Child 5

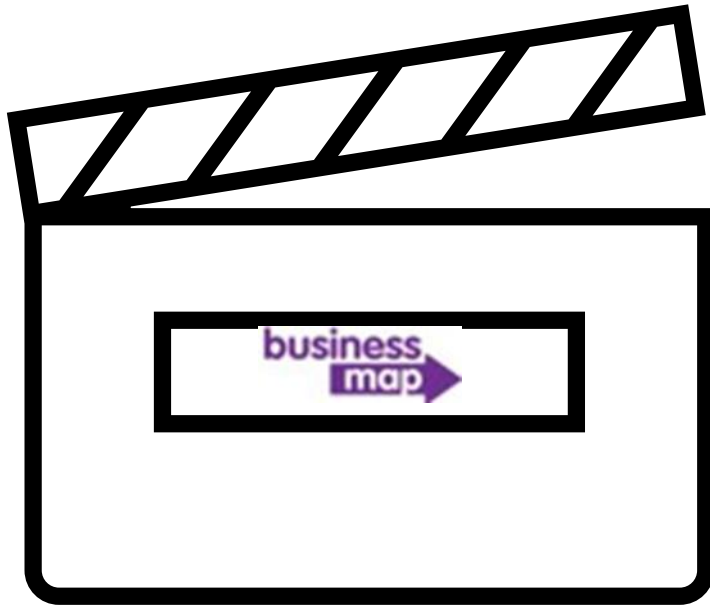
If a nursery offers funded hours as six-hour days across 47.5 weeks they could increase the income across four places from **£18,376.80** per year by one FTE to **£22,971.00**. (at a funded rate of £4.03)

Funded entitlements offered at six hour days for 47.5 weeks of the year

Place	Monday	Tuesday	Wednesday	Thursday	Friday
Place 1	Child 1	Child 1	Child 1	Child 1	Paid for hours
Place 2	Child 2	Child 2	Paid for hours	Child 2	Child 2
Place 3	Child 3	Child 3	Child 3	Paid for hours	Child 3
Place 4	Child 4	Paid for hours	Child 4	Child 4	Child 4

- The nursery would receive the equivalent of four 30-hour FTE funded places in this model (**£18,376.80** using the funding rate of **£4.03**).
- Charging parents for one six-hour day at a rate of **£5.50** per hour would generate an additional **£33.00** per week per place (**£1,567.50** for 47.5-week year) or **£6,270** per annum for the four places.
- This would increase income to **£24,646.80** from **£18,376.80** these four places if they were delivered in a traditional 38-week model.
- Families may still purchase additional hours and additional services such as meals.
- This model works well for families who require longer than 38 weeks and assists families' budget across the year as they have no large restrictive holiday week bills to pay.

Action



- Consider these ideas and options?
- Reflect on the models shared, would any work in your setting?
- Ask the LA for assistance – there is support available.



**business
map**

Using the Business Map in Wirral

Toolkit contents

- Six video presentations
- Four 'how to' guides
- Downloadable tools
- Additional resources from the original DfE funded Business Map programme can be accessed here:
<https://foundationyears.org.uk/2021/01/hempsalls-business-map-for-early-years-providers/>