Early Years and Childcare

How to write a
Business Plan

A guide to effective planning

OXFORDSHIRE COUNTY COUNCIL

Contents

Introduction

The content of a development plan needs to be precise and clear. It needs to describe where you are now, what you would like to achieve and how you are going to get there.

Every development plan should be reviewed regularly and updated as the organisation or project develops.

A development plan provides:

- A framework to guide your development journey

- A vital tool when preparing proposals for potential funders

- A planning tool which provides the opportunity to assess current and future:

  - Financial stability

  - Offer to parents

  - Staffing and resources

What does a development plan look like?

Generally it will include:

- A title page including a review date

- An index

- A brief summary or overview (usually found at the start of the document, although it may be the last piece that is written)

- Background

- Evidence of need and consultation (when applicable)

- Activities and services

- Resources

- Financial management and projections

- Appendices

Please Note - A development plan does not have to be written by one person!

It is better if it can be shared among a group of people with a range of different skills. The more it is shared - the more ownership of the plan the group has, and often the better the plan is.

It is your plan and you, as a group, need to write it, believe in it and...act on it!

Section One: Summary

This is a short, punchy summary of the plan.

In this section you could include the following information:

- Your organisation's purpose and aims

- A brief description of what you plan to do, what the project involves and why it is important

- A brief overview of the specific groups of people who are likely to benefit from the project

- An outline of the most important features of your project and how it will impact on the organisation's present financial position

Starting point for this section:

Consider the overall aims of the organisation.

Asking yourselves questions may help. For example:

- What do we hope to achieve?

- Where do we want to be in one, three, five years?

- What would we like the organisation to look like?

This will help you to define the aims of your organisation and project.

Background

This does not need to be detailed, but where provision already exists it is needed to explain the history and the development of the organisation.

In this section you could include the following information:

- When and why the organisation was started

- It's legal status

- Other groups you work with

- The organisational structure

- The role of paid staff

- The role of volunteers

Starting point for this section:

How is the provision managed? Is it:

- A registered charity (include your Charity Commission registration number)

- A non-profit making business (include any registration information)

- A limited company (include your company's house registration number)

- A school governing body

Section Two: Identifying the need

In order to be a success, there must be an identified need for the services the new project will provide. You will need to identify your target area, explain why your have chosen this area and demonstrate how your project 'fits' alongside existing provision in the area and where applicable central government policy initiatives.

In this section you should include the following information:

- The reason why you want to start or develop this project

- The area the project will benefit

- Who will benefit

- Who else in the area provides similar services, and how your project will complement any existing provision.

- Evidence of demand and lack of existing provision

- Why you are best placed to provide this project

A starting point for this section could be:

- Talking to other people in the local area which may help you identify the need. Include a **summary** of any consultation you have undertaken

- To carry out a survey of the local area you can devise your own questionnaire. There are multiple secure, online sites that can help you build one. This will also have the added benefit of providing a link directly to the survey which you can then post to social media, extending it's reach. Attach any examples of questionnaires used as an appendix

- The Oxfordshire [Family Information Service](#) can provide information on the number of childcare providers and analysis of need in a specific area

- Information on childcare and early years sufficiency can be found in the latest [Childcare sufficiency market assessment](#)

Asking some simple questions may help. For example:

- Why are we doing this?

- Why do I think this is needed?

- Is there really a need for this service in this area?

- Am I the only person who thinks this is a good idea?

Section Three: Activities and Services

A summary of the activities and services the organisation provides, including the planned developments.

In this section you could include the following information:

- Detailed information about the project, including any new facilities it will create and any new services your organisation will be able to provide as a result of these developments. It is useful to have an overview of the project and the timescales to be met

- How the development plan will be a working document, with measurable outputs, timescales, management responsibilities and how it will be costed

- How you plan to meet the Ofsted registration requirements

- Your plans to make the provision inclusive for all children

A starting point for this section could be

Look at how you would like the provision to develop over the next few years. Start to identify how the provision needs to develop in order to meet these goals. Again, ask yourselves questions such as:

- How are we going to achieve our goal?

- What do we need to achieve our goal?

Section Four: Resources

In order to deliver the activities and services you are planning, you will need a variety of resources such as staff, premises or equipment. In this section you should identify the resources required to support your project.

In this section you should include the following information:

Management

- How will the provision managed?

- What are the skills required?

- The organisational structure or family tree

Staff

- How many staff will be needed?

- How are you going to find and retain staff?

- How much will you need to pay for staff?

- What skills will your staff need?

Training & Qualifications

- What qualifications will be necessary immediately/in the future?

- What training needs have been identified?

- How do we get information regarding training?

- How much will it cost and is there help with training costs?

Premises

- Where will the project take place?

- Do you have premises available to buy, lease or rent? Or do you plan to build from new?

- Is the premises child friendly and is there access to outdoor space?

- Will you need to adapt or refurbish the premises?

- Does it have a suitable food preparation area (if needed)?

- How much will the premises cost?

Equipment

- What do I need?

- Who are the suppliers?

- How much will it cost?

Section Five: Marketing Strategy

You will need to outline your plans for promoting your provision.

In this section you could include the following information:

- How and when you will advertise and market your project. The use of social media will be the most cost effective and wide reaching. Marketing ideas can be found here

- How are you going to promote Tax free childcare and the Early Years entitlements (Childcare Choices)

- How much will your marketing activities cost?

- Who will be responsible for organising marketing?

Section Six: Finance

To request a Financial Planning tool with instructions contact the following email addresses:

Early Years:
EYS&Q@oxfordshire.gov.uk

Wraparound Childcare:
wraparoundchildcare@oxfordshire.gov.uk

This should provide details of the total funding requirement for your organisation and project.

In this section you should include the following information:

- A projected income and expenditure forecast

- Possible sources of funding available to you

- How you plan to make future childcare places sustainable, especially after any possible start up grant funding has ended

Starting points for this section:

Ensure that the project you are setting up is financially viable and sustainable.

- Remember to include any professional fees you may incur such as Ofsted registration

- Details on record keeping, control of finances and how the budget will be monitored

- Record the assumptions you have made in drawing up your financial plan

Assumptions

(The assumptions you have used to support your financial plans are important and should be stated)

This could include:

- The fee rate you plan to charge – what have you based this on?

- The occupancy level you have used to estimate your fee income. It is not going to be full immediately

- Premises costs, how have these been calculated?

- The wages you plan to pay – what have you based these on?

Budgets and Cashflows

Budgets – Estimating what Expenditure and Income will be

Include income and expenditure forecasts as a minimum for the next 3 years.

Budgeting is common sense rather than crystal ball gazing. In fact you already probably carry out some form of budgeting for running your home and could make a list of expected household expenses, say, for the next year.

The budgets for your provision should be a similar exercise. By using last year's actual figures, and/or getting together with other group members, it should be possible to note down all foreseeable expenses.

The next step is to put a cost against each item. Where possible obtain a known price e.g. a salary or rent is agreed or a quote for insurance obtained, as this will make your budget more robust.

It is also recommended that you build in a contingency fund each year to cover unexpected expenses.

When planning for the longer term you will be wanting to ensure the continuation of your provision and should aim to build up a reasonable surplus to cover future unforeseen circumstances. 3 months running costs and sufficient to cover redundancy liabilities could be considered a reasonable level of surplus to build up over a few years.

Once it has been established what is needed to spend to run your provision, you will need to consider the other side of the budget – where is the money going to come from?

Always note down the assumptions made, so that you have a record of how you arrived at the figures and can show funders that you have properly considered the financial aspects of running your provision.

Section Seven: Appendices

Appendices provide you with the opportunity to provide additional information on your project.

Appendices may include:

– Action Plan
– Budget Income and Expenditure
– SWOT analysis ([Example](#))
– A summary of any survey results

SWOT Analysis

It is important that any organisation can identify their abilities and possible weaknesses. The usual method of assessing these in an organisation is through SWOT analysis. A SWOT analysis examines the Strengths and Weaknesses within the organisation and the Opportunities and Threats it faces. Through this type of analysis issues that initially are seen as a threat to an organisation can possibly be turned into opportunities.

Action Plan

You will need to formulate an action plan or timetable of development that will enable you to determine how the project is progressing.

And finally...

Please include a review date when the progress of your plans will be reviewed and revised to meet the needs of your organisation.

The following organisations and people may be able to provide you with advice and support.

Professional Association for Childcare and Early Years (PACEY)
A national membership organisation for childminders
Tel: 0300 003 0005
Email: support@pacey.org.uk

Oxfordshire Play Association
Provides advice and support regarding playwork training and quality assurance
Tel: 07436 270267
Email: enquiries@oxonplay.org.uk

Business and Intellectual Property Centre (BIPC)
Provides 1:1 business support, face to face or online
Oxford Westgate Library, 228 The Westgate, Queen Street, Oxford, OX1 1PE
Contact Form

Out of School Alliance
Help and support for after-school clubs
Tel: 0345 3142008
Email: info@oosa.co.uk

Early Years Alliance
Provides information & advice along with training schemes
Tel: 0207 6972587
Email: development@eyalliance.org.uk

Oxfordshire Ethnic Minority Business Service
2 Avenue Lane, off Chapel Street, Cowley
Oxford OX4 1YF
Tel: 01865 794431

National Day Nurseries Association
National organisation offering information, and support to new day-care nurseries
Tel: 01484 407070
https://ndna.org.uk

Oxfordshire Family Information Service
Offers information on availability of childcare provision in Oxfordshire. Point of contact to access Ofsted registration packs. Also can provide information regarding the provision of childcare places in a given area.
Tel: 08452 26 26 36
Email: fis.enquiries@oxfordshire.gov.uk
https://fisd.oxfordshire.gov.uk