

## **Wraparound Financial Planning**

### **Preparing Financial Budgets to support your Development Plan**

#### **Introduction**

Welcome to Oxfordshire County Council's Access to Learning financial planning tool.

It aims to take the hard work out of financial planning by:

- 1) Providing a logical step by step process to creating budgets.
- 2) Doing most of the calculations for you.

It can be used to check out if the assumptions you have made will work. The figures can easily be changed, so that different scenarios can be considered e.g. you may have planned to pay staff £15 an hour but the resulting total expenditure is too high – what difference would £14 an hour make to the budget? You also need to consider the impact of pay rates upon recruitment and retention of staff.

Having prepared the budgets the next step is to monitor your actual performance regularly. Action can be taken as soon as problems emerge. This tool provides you with a monthly monitoring facility, that will highlight where your actual income or expenditure is different from your forecast.

#### **How to use**

In order to use this planning tool you will need a very basic understanding of Excel spreadsheets – how to move around a spreadsheet and how to input information

Use in conjunction with the “How to write a development Plan” guide.

***Before starting work save the workbook to another file – this means you will always have the templates available for future budgets.***

***Save your work regularly.***

Follow the step by step guide for each worksheet.

To assist you with inputting of information the areas where you need to insert your own group's information are highlighted in yellow

Each worksheet consists of a number of boxes, called cells.

Each cell can be identified by the letters across the top and numbers down the side.

Sometimes where you need to insert information in a cell(s) this guide identifies them by reference to these letters and numbers i.e. a grid reference such as A12 or C4

## Staff

This worksheet is used to calculate your total staff expenditure for a financial year.

- 1) For each post required for your provision overtype "Name/post" with either the post name or the post holders name, as required. Be mindful of who this document will be shared with as salary and working hours information is sensitive.

All staff members must be entered in this section including administrators, cleaners and supply staff.

- 2) For each post insert the hourly rate that the staff will be paid.

Ensure **Minimum Wage regulations** are adhered to – refer to <https://www.legislation.gov.uk/ukdsi/2015/9780111127964>

- 3) For each post insert the hours per week that the staff will work – ensure setting up, packing up and planning time is included.

Ensure **Working Time Regulations, including holiday pay** are adhered to - refer to <https://www.legislation.gov.uk/uksi/1998/1833/contents/made>

- 4) For each post insert the number of weeks that the staff will actually work i.e. not including holiday entitlement

- 5) For each post insert the holiday entitlement weeks.

Ensure **holiday pay regulations are** met – see 3) above

- 6) The worksheet will calculate the salary to be paid for each post.

- 7) In cell H9 insert, **as a percentage (e.g. 15%)**, the % of on costs that will be incurred by employing staff.

This is to cover additional cost incurred by an employer, particularly employer **national insurance contributions** and pension contributions made on behalf of staff and payroll costs.

For **national insurance rates** refer to – [www.inlandrevenue.gov.uk/rates/nic.htm](http://www.inlandrevenue.gov.uk/rates/nic.htm)

- 8) The worksheet will calculate your total salary costs.

## **Expenditure**

This worksheet is used to calculate your total expenditure for a financial year.

1. The **Staff** figure will automatically transfer from the previous page.
2. You can use figures from your previous year's expenditure plus an estimated % rise for each item. Do not exceed the number of lines on this page as they will not feed through to subsequent pages.
3. Expenditure descriptions can be changed to fit your circumstances. Any changes will automatically feed through to subsequent pages.

## **Fees**

At first site this will probably look like a daunting worksheet but by working through logically it will provide invaluable information about your expected fee income and also clearly set out the assumptions you have made about occupancy.

- 1) The months are set out from September to August to reflect the academic year. If your financial year is different the months can be overtyped to meet your needs.
- 2) Schools typically open for 39 weeks per year including 5 inset days that do not attract fees. A total of 38 weeks are pre-loaded and reflect a typical spread across the school year. The weeks can be overtyped if they do not match your offer.
- 3) This page includes three sections for you to complete for the fee income that you receive. You do not have to complete all the sections.

For example if you just have one offer 15.00 – 18.00 for a fixed fee just complete one section.

If you have two different fee options for example 15.00 – 16.30 or 15.00 – 18.00 complete two sections.

Sections can be completed as follows: -

Children – number of children attending per day. If this varies across the week take an average number – total children/number of days open.

Hour per day – number of hours open per day. If you are charging a fixed fee enter 1 here

Days per week – days per week that the service is offered.

Weeks – number of open weeks open per month (see note above for term time only provision). This can include part weeks.

Fee – enter an hourly fee if you are charging per hour. If you are charging a fixed rate enter this and make sure that you enter 1 for hours per day.

4) The total fee income automatically feeds through to subsequent pages.

### **Cashflow**

This sheet aims to show when your income will be received. It automatically transfers from the expenditure page and is shown as a 12 month split for all payments. These can be overtyped if you want to show when a specific bill comes in.

- 1) You can include an opening balance in cell B42.
- 2) Include any additional income at the top this should include fundraising, voluntary payments, HMRC refunds for maternity leave etc.

### **Breakeven**

This sheet is designed to give you a simple way to work out the cost of opening for one hour. It also gives you the option to work out the cost per child per hour. This will allow you to make decisions about fee levels and adult to child ratios.

- 1) Complete the boxes highlighted in yellow. The staff and expenditure costs will automatically feed through from previous worksheets.
- 2) Ignore the caution triangles if they appear in J13 and J17

### **Income and Expenditure**

This sheet brings everything together to give you the overall picture for the year ahead.

### **Mth1 – Mth12**

These sheets allow you to monitor your income and expenditure on a monthly basis. They allow you to spot opportunities and problems early.

- 1) Actual – input the actual figures for that month.
- 2) Budget – the figures in this column will automatically pull through from previous pages.
- 3) Variance – this column shows you if you are ahead of or behind your forecasted predictions.