

## Sustainability

The following related tools and resources can be found in the 'Tools and Resources' section in the members only area of the website.

- *Weekly Income and Expenditure spread sheet*
- *Business Forecast spread sheet*
- *Cash Flow Forecast spread sheet*

### **What is sustainability?**

This is essential and should be the aim for all settings. Put simply the income of the setting should be greater than its expenditure. There should also be a reserve fund to enable settings to survive a time of hardship or to pay for any unexpected expenditure.

### **Why?**

To ensure the long term survival of the setting.

To ensure there is continuity in the care of the children and continuity of staff.

To ensure reliability for parents.

### **How do we do it?**

You can do a quick check on your settings sustainability by comparing the weekly income with the weekly expenditure.

If you find that your setting is running at a loss, and this is not just a short term problem, there are only two ways of improving sustainability

1. Increase the income of the setting- e.g. attract more children or increase fees
2. Decrease the expenditure of the setting - e.g. control costs

### **Income**

There are three main sources of income,

- Children's fees

This is the fee set by the management of the setting for the childcare provided (see pricing information).

- Nursery Education Funding (NEF)

A child is entitled to 15 hours a week of free nursery education starting from the term after their third birthday until they start school. This is paid directly to the setting on completion of the paperwork provided by the 'The Children and Young People's Directorate' The details of how to claim and the amount of funding is clearly explained in the 'Providers Pack' which is sent to you.

- Fundraising

Fundraising is usually done to raise money for specific projects and should not be used for the normal running costs of the setting as this can lead to the setting becoming unsustainable.

## **Expenditure**

This includes

- Staff wages and training
- Premises costs
- Consumables and equipment
- Annual costs such as insurance