

Leicester  
City Council

**WARDS AFFECTED**  
**All**

**FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:**

**Children & Young People Scrutiny**  
**Cabinet**

**20.07.2006**  
**24.07.2006**

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**Workplace Nursery**

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**Report of the Corporate Director (Children & Young People's Department)**

**1. Purpose of the Report**

A subsidy of £53,000 was agreed as part of the budget strategy for 2006/07 to assist the nursery financially until August 2006. This report details the current financial position and possible options for the future.

**2. Background**

The Workplace Nursery opened in 1987 to support the recruitment and retention of predominantly women into the workforce. The Nursery originally offered subsidised childcare through reduced fees for City Council employees. The nursery continues to be available for use by all employees from all council departments but is no longer subsidised. As a result, there is no longer any real discernable difference between council nursery fees and provision in the private sector.

**2. Summary**

**2.1** The Departmental Revenue Strategy for 2004-2005 proposed to withdraw the subsidy of £145,000 per annum and convert the Nursery into a self-financing business by April 2006. A one off subsidy of £80,000 was agreed for year 2005/06 and £53,000 for this financial year. It has now become apparent that the action identified in the original business plan will not bring the Nursery to a position of being self-financing in the time frame required.

**2.2** The Nursery is currently operating at 61% occupancy, with 48 children on the register, compared to the 80 to 90% reported to Cabinet on 27<sup>th</sup> June 2005. The occupancy level is set to fall further to 45% when children leave in September 2006 to go to school. The annual fall in occupancy levels is a pattern experienced by most providers of day care. It is difficult to predict at this stage however, how quickly the position will recover if the Nursery remains opened. Clearly the uncertainty created by possible closure has also contributed to the dramatic fall in occupancy levels over the last 12 months.

- 2.3** The level of subsidy required to maintain the nursery for the remainder of this financial year, based on actual income and expenditure for April and May is approximately £107,000, an increase of £54,000 to that already agreed.
- 2.4** Parents using the Nursery report high levels of satisfaction and confidence in a service provided by City Council employees.

The Parents Association has continued to support the Nursery and the implementation of a Salary Conversion Scheme. To date 11 families have joined the scheme. Income from this was £11,525.42 in 2005/06, and is expected to average £500 per family during this financial year.

- 2.5** The statement of purpose for the Nursery does not sit comfortably with the corporate and departmental priorities for children and young people.

The Nursery provision can only meet the needs of a small group of parents and children and does not constitute targeted childcare for children in need.

The majority of children who attend the Nursery do have two parents at home, and there is a significant level of available private sector childcare in the city that they could access.

- 2.6** As a result of a substantial increase in affordable childcare provision in the City since the nursery first opened in 1987, and the removal of subsidised fees, it is difficult to measure the contribution this provision has made to the recruitment and retention of staff.

The development of a childcare advice service for staff, managed by the Children's Information Service, would directly contribute to future recruitment and retention initiatives and policy.

## **2.7 Recommendations**

- 2.8 Cabinet is asked to consider the following options for the future of the Nursery:**

### Option 1 - Keep the Nursery open on a self-financing basis by introducing further efficiencies and the allocation of private sector places

Since taking up post, the Nursery Manager has identified a number of efficiencies, which if implemented, could help the Nursery become a self-financing unit. A financial projection based on the implementation of a new staffing structure and allocation of 40% and 50% of places to the private sector is included as Appendix 3. This indicates a break-even point at 75% occupancy. As we are unable to reliably predict when the Nursery will reach 75% occupancy a commitment to subsidising the Nursery on a decreasing scale possibly until 31<sup>st</sup> March 2008 will be required.

As the only real alternative to closure this option is explored in more detail in the main body of the report.

Although this option would provide some level of subsidy paid for by private sector places, it is a high risk option with no real guarantee of sustainability.

### Option 2 - Commission a Private Provider to manage the provision

One of the larger Nursery chains could be approached to run the Nursery on behalf of the city council.

This option would also require some level of Council subsidy in order to achieve quality care and low fees, as well as allowing the provider to make a profit.

In addition the building is very old and tired and needs extensive refurbishment to bring it back up to an appropriate standard.

### Option 3 - Sell the Nursery as a business

The possibility of selling the Nursery as a going concern could be explored.

Given the growing private childcare market and the poor condition of the building, the Nursery is not considered to be a viable business proposition.

### Option 4 – Closure

Staff and parents are entitled to three months notice of an intention to close. There will be further costs associated with closure including the mothballing of the building pending disposal, continuing costs for security, key holding and alarm services.

Obviously there will be a significant level of disruption for staff, parents, and children if the Nursery is closed, and the process will need to be managed sensitively.

A transitional plan will be formulated to provide support strategies for staff, parents and children and the Children's Information Service will help identify alternative childcare resources.

## **2.9 Cabinet is recommended to:**

- a) Agree Option 4 and close the Workplace Nursery.
- b) Agree to a short-term transitional action plan to support staff, parents and children, and identify alternative childcare provision.
- c) Agree to formal redeployment/redundancy discussions with staff and unions.
- d) Agree to the disposal of the building.
- e) As part of a recruitment and retention policy agree to the Children's Information Service developing a childcare advice service for staff.

## **3 Financial and Legal Implications**

### **3.1 Financial Implications**

"The nursery was underwritten by the City Council by approaching £135,000 in 2004/05 and £119,000 in 2005/06 relative to controllable costs. The level of underwriting this year is running at approaching £8,000 per month.

The 2006/07 DRS included a proposal that the subsidy to the Nursery should cease post 31 August 2006 and that should be achieved either by closure or moving on to a self financing basis by that date.

The report postulates that there could be redundancy and other disengagement costs and these need to be assessed in detail and a plan set in train for their minimisation. Any net costs would need to be met from the 2006/07 budget for the Early Years service and an appropriate source of virement identified at the outset.

Part of the closure plan must be either to embark upon a course of action that maximises the capital receipt to the Council upon disposal of the property or examines alternatives uses for the building that would remove an otherwise need to incur capital expenditure. Any receipt will be credited to corporate capital receipts.

These financial implications focus upon the recommended closure option but if Cabinet are minded to pursue any of the other three options there will be a need to develop financial implications relating to these before finalising any decisions.”

Barrie Woodcock, Interim Head of Finance – Ext 7750.

### **3.2 Legal Implications**

Whilst the duty to consult under the collective redundancies provisions does not apply as the number of staff affected is less than 20, it is important that there is proper consultation with staff and their representatives to ensure that the dismissals by way of redundancy that result from closure are fair.

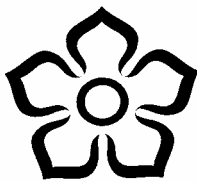
Guy Goodman, Head of Community Services Law – Ext 7054.

### **5. Report Author**

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### **DECISION STATUS**

<b>Key Decision</b>	Yes
<b>Reason</b>	Significant effect on one or more wards
<b>Appeared in Forward Plan</b>	Yes
<b>Executive or Council Decision</b>	Executive (Cabinet)



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**Workplace Nursery**

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**SUPPORTING INFORMATION**

**1. Report**

**1.1 Background**

The Current Provision

The Nursery made a loss of £133,589.20 in year 2004/05 and £118,501.38 in 2005/06. A breakdown of expenditure for 2005/06 is attached as Appendix 1. In April/May this year the loss each month has been between £6,000 and £8,000. This compares with an average monthly loss of £9,875.12 in the previous year. This demonstrates a consistent decrease as actions in the original business plan have been implemented and take effect. A financial projection for 2006/07 is included as Appendix 2.

A salary conversion scheme was introduced in April 2005. This allows the City Council to deduct fees from base pay thus reducing the tax paid by parents and generates increased income for the Nursery. The salary conversion scheme will actually increase the loss in the first half of this financial year. This is because parents are required to convert their salary over the whole financial year. Those parents converting their salary who have children leaving in September will therefore be paying six months fees over 12 months. Income from these places will still be received during September to March when the children are no-longer attending.

The Nursery operates from city council premises on a landlord tenant arrangement. The Nursery does not therefore meet the full cost of maintenance.

Staffing

a) Management

The staffing structure at the Nursery was reviewed as part of the original business plan in 2004. A Nursery manager post was created with the intention that they develop the business aspects of the Nursery. The

manager came into post in February 2005 and has extensive experience of working in the private sector. The management team also includes two senior practitioners (one of these posts is currently vacant).

b) Staffing

As a model of good practice the Nursery has previously only employed Nursery officers qualified to level 3. This is above the national requirement and has been used to positively promote the Nursery. It is an aspect of the Nursery valued by parents. There are currently 5 scale 3 Nursery officers in post.

A trainee scheme was introduced some years ago whereby students continued training to level 3 at the Nursery having completed level 2 thus maintaining a qualified workforce. The Nursery has two trainees, one working two days per week and one working five days. The trainees were employed on a two year contract that concludes in August this year. In addition three staff have continued to work on sessional time sheets for a continuous period, two since starting as trainees in 2001 and another since September 2004. The Nursery also employs an assistant who holds a Level 3 Qualification.

Staff absences, annual leave or sickness are covered by sessional or agency staff.

c) Support staff

The Nursery also employs a number of support staff including kitchen, premises and cleaning staff. Admin support is on the establishment list but the post is currently vacant.

d) Organisation

The Nursery is registered for 50 children aged between 0 to 8 years; no more than 24 may be under 2 years. Opening times are from 7:45 am to 5:45 pm, Monday to Thursday and to 5:15 pm on Friday. Staff work a shift system to cover the opening hours; however, the time some staff are contracted to commence and finish work is fixed in their contract of employment, for example early 7:45 am to 3:15 pm and late 10:15 am to 5:45 pm. This presents ongoing difficulties, as it does not allow flexibility for the majority of staff to be on duty in the middle of the day when most of the children are present.

A key worker system is in operation and children are grouped according to age/ability and progress through the Nursery. The Nursery currently operates five individual rooms for children:

- i) A baby room for 9 babies up to approximately 13 months with 3 staff.
- ii) A room for 9 children aged under 2 years with 3 staff.
- iii) A room for 9 children aged 2 to 3 years with 3 staff.
- iv) And two rooms for 20 children aged 3 to 5 years with 4 staff. This is based on the required staff/child ratios and to take account of staff shift patterns. There is also a central play area where groups of

children can come together this is often used first thing in the morning when children are just arriving.

The Nursery is currently operating at 61% occupancy, with 48 children on the register. Compared to the 80 to 90% reported on to Cabinet in the 27 June report. The occupancy level is set to fall further to 45% when children leave in September to go to school. This is an annual pattern experienced by all childcare providers. The Nursery Manager reports having many enquiries for places but the question of continued service is always raised as a concern. Parents are then reluctant to commit themselves, so although there are children on the waiting list these are subject to confirmation. The financial projection for 2006 takes account of the reduced occupancy and staff leaving in August.

e) Financial

The Nursery has historically increased fees annually. The current rates are included as appendix 3. The fees are comparative with other local providers and the cost for a full week is less than part week or sessions. In September 2005 the fees for children under 2 years were increased by 10% while an inflationary increase was levied for all other age groups on the basis that the staffing ratios and therefore cost of caring for children under 2 years is greater. There are no reductions for second or subsequent children attending the Nursery.

To date 11 families have joined the salary conversion scheme. Income from this was £11,525.42 in 2005/06, averaging £1,000 per family. The original business plan aimed to introduce the scheme in 2004; however there were delays with the Inland Revenue and it was not implemented until April 2005. As a result of the delay parents have been able to convert their fees for 2004/05 and 2005/06 by paying 2004/05 fees this year and then having them reimbursed. The income from the scheme this year is therefore likely to average £500 per child half that of the previous year.

## 1.2 Options for the future

### Option 1 - Keep the Nursery open on a self-financing basis by introducing further efficiencies

This option is addressed in more detail as it was considered to be the only real alternative to closure.

Since taking up post, the Nursery manager has identified a number of efficiencies, which if implemented could help the Nursery become a self-financing unit. A detailed Action Plan is included as Appendix 6. A financial projection based on the implementation of a new staffing structure and allocation of 40% and 50% of places to the private sector is included as Appendix 3. This indicates a break-even point at 75% occupancy. As we are unable to reliably predict when the Nursery will reach 75% occupancy a commitment to subsidising the Nursery on a decreasing scale possibly until 31<sup>st</sup> March 2008 will be required.

## 1.3 Staffing

As the current staff qualification levels greatly exceed the requirements of the National Day Care & Childminding Standards, the effect of the current structure has been to make the Nursery significantly more expensive than private day care providers.

In order to provide a balance between maintaining parent's confidence in having a more highly qualified workforce and reduce staff costs, it is proposed that we adopt a career structure for care staff, to include:

- a) The Nursery Manager.
- b) Two Senior Practitioners one on Scale 5 and one on Scale 4. This will be achieved by reducing the management tasks identified in the job description for the vacant post, alleviate the need to allocate management time but provide cover if either of the other two senior staff are absent.
- c) Three Nursery Officers on Scale 3, qualified to Level 3. This reduction will require making two Nursery Officers redundant.
- d) Five Senior Assistants qualified to Level 2 paid at Scale 2.
- e) Three unqualified Nursery Assistants on Scale 1.

The childcare staff will be required to work a shift system in order to cover the opening hours and maintain staff/child ratios between the hours of 7:45 am to 6:30 pm. This will also allow flexibility if the Nursery is made available to the private sector.

Support staff to include:

- a) A Team Assistant post working 18.5 hours at scale 3, a reduction of 4.5 hours.
- b) A Chef-in-Charge working 37 hours at scale 3, from 9:00 am to 4:30 pm and 4:00 pm on Fridays.
- c) A Kitchen Assistant working 15 hours a week on Scale 1 from 11:00 am to 2:00 pm.
- d) A Premises Officer working a split shift of 22.5 hours a week at Scale 1 from 6:30 am to 9:00 am and 5:30 pm to 8:30 pm.
- e) A Domestic Assistant working 10 hours a week at Scale 1 from 1:00 pm to 3:00 pm.

A period of consultation with staff and unions will be required as described in the procedures for organisational review in order to implement the changes; however current staff vacancies will allow some changes to be implemented quickly. It is proposed that this structure is fully implemented over time through natural wastage thus alleviating the need to make redundancy or compensation payments. The annual cost of implementing the proposed structure compared to current staff costs is included as Appendix 4.

## **1.4 Organisation**



The Nursery to operate from four rooms as follows:

- a) Baby room caring for 9 babies with 3 staff.
- b) An Under 2-year olds room caring for 9 children with 3 staff.
- c) A 2 to 3 year olds room caring for 8 children with 2 staff.
- d) A Foundation Stage base for 3 to 5 year olds with 4 staff and 24 children. This will require financial investment in order to fund the minor building work.

This makes a total of 50 places for 0 to 5 year olds and provides an additional member of staff to cover for staff absence and holidays creating cost efficiency by reducing the need to employ sessional or agency staff.

## **1.5 Fee Structure**

The Nursery is a registered provider of Nursery education, parents can therefore set their children's Nursery education funding against the fees for eligible 3 and 4 year olds.

Salary conversion: we will continue to promote this in conjunction with the parents association, an additional £500 per year could be raised from each family opting to convert their salary.

Nursery fees will continue to increase annually in September 2006 by the rate of inflation. The current reduction for full time places to continue. However, as the increase of fees for children under 2 years was greater last year and if places are to be made available to the private sector, it is proposed that no increase is imposed for Leicester City Council employees this year. In addition to bring the cost of under 2s back in to line with the older age group, it is proposed that the cost for children under 2 years remains the same next year. This compares favourable with other local providers. There are few babies/children under 2 on the waiting list. Attracting young children is likely to prove beneficial as they are likely to remain in the Nursery.

Introduce a discount for siblings by reducing the cost for the younger child by 10%, thus offering a financial incentive for families with more than one child to use the Nursery. The reduction for the younger child represents a greater saving for the family as Nursery funding is available for older children. The discount will cease when the older child leaves.

Review the current allocation of places to maximum efficiency by imposing a minimum allocation of two sessions per week. The current practice of parents who work a different number of days each week securing two days one week and three the next and similarly part time users swapping days, if for example: they are absent on their normal day of attendance to cease.

## **1.6 Retaining places**

A reduction of 50% to retain places for parents working term time only. Places vacant but on a retainer could then be offered for school aged children under 8 years to attend during school holidays.

## 1.7 Occupancy

The Nursery will remain primarily a resource for Leicester City Council employees who will continue to have priority for vacant places. However, enquiries for places are often received from the private sector. The Legal Department have confirmed that there is no reason why the City Council should not sell places to the private sector provided that: we do not make profit from them, and any price differential is reasonable. A minimum of 60% of places could be reserved for city council employees. In order that the Nursery remain competitive for the private sector, the fees for city council employees could be frozen this year and 5% added to create a price differential for the private sector.

## 1.8 Marketing

In order to market the Nursery successfully a commitment to keeping the Nursery open for a substantial period of time is needed in order to create confidence and dispel the uncertainty currently felt by prospective parents.

The Nursery Manager has made initial contact with some local business including:

- Leicester Crown Court
- Harvey Ingram Solicitors
- Immigration Appeal Agency

They have indicated a willingness to promote the Nursery by distributing information to their employees. The Leicester Royal Infirmary Workplace Nursery has also agreed to sign post parents they cannot accommodate to the Nursery.

The Nursery currently uses information leaflets to advertise the Nursery. However, these will require updating for future marketing purposes.

## 1.9 Financial Investment

The Nursery has suffered from a lack of investment over recent years. Investment is required in order to:

- Create a foundation stage base at the Nursery. Approximately £5,545.90 will be required to fund the minor building works. In addition, areas of the premises used by the children require urgent redecoration. This will revitalise the Nursery and create a more attractive environment in which to attract prospective parents. The total for redecoration, minor building works and labour is £12,404.06
- Install a new intercom system as the current system to control access to the Nursery no-longer works effectively nor does it allow staff in the office to see who is entering the building. The cost of replacement is £500.

- Replace the wall units in the group rooms that are no longer fit for purpose and present a health and safety hazard. The cost of replacement is £1,780.
- Meet the cost of updating current advertising material, coloured folders and leaflets £1,250 is required for advertising purposes.
- Replace play equipment as the Nursery have not purchased any new play equipment over the last two years an initial £3,000 would help to rectify this.

Total investment required £17,684.06

### **1.10 Recommendations**

- a) Agree Option 4 and close the Workplace Nursery.
- b) Agree to a short-term transitional action plan to support staff, parents and children, and identify alternative childcare provision.
- c) Agree to formal redeployment/redundancy discussions with staff and unions.
- d) Agree to the disposal of the building.
- e) As part of a recruitment and retention policy, agree to the Children's Information Service developing a childcare advice service for staff.

## **2. Financial Implications**

"The nursery was underwritten by the City Council by approaching £135,000 in 2004/05 and £119,000 in 2005/06 relative to controllable costs. The level of underwriting this year is running at approaching £8,000 per month.

The 2006/07 DRS included a proposal that the subsidy to the Nursery should cease post 31 August 2006 and that should be achieved either by closure or moving on to a self financing basis by that date.

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### **4. Report Author**

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# APPENDIX 1 - LAST YEAR'S FIGURES

## Workplace Nursery Expenditure & Income 2005-06 - 341711

### Summary:

FMIS	Item	TOTAL
	<b>Summary</b>	
A	Employee Costs	£ 321,622.41
C	Employee Costs	£ 3,988.44
D	Premises Related	£ 27,878.27
E	Transport Related	£ -
G&H	Supplies & Services	£ 20,487.58
J	Third Party Payments	£ 500.00
P	Legal Services	£ 1,837.86
M	Transfer Payments	-£ 15,433.60
R	Income Related	-£ 789.70
S	Income Related	-£ 241,343.56
U	Internal Income	-£ 246.32

This is a summary of the total income and expenditure for the Workplace Nursery in the financial year 2005/6. The total loss for the year is £118,501.38, compared with £133,589.20 for the previous financial year 2004/5. This loss represents an average loss of £9875.12 per month.

<b>Total</b>	<b>£ 118,501.38</b>
<i>Average per month</i>	<b>£ 9,875.12</b>

### Expenditure:

<b>A - Employee Costs</b>		
A000	<b>Admin &amp; Clerical</b>	£ 106,109.19
A005	<b>Direct Salaries- Overtime</b>	£ 50.72
A010	<b>NI</b>	£ 5,756.36
A011		£ 785.40
A020	<b>Superann</b>	£ 14,227.30
A040	<b>Direct Wages</b>	£ 1,037.52
A045	<b>Direct Wages O/T</b>	£ 67.23
A050	<b>Direct Wages NI</b>	£ 44.03
A080	<b>Direct Sessional</b>	£ 33,480.90
A081	<b>Direct Sessional NI</b>	£ 1,945.74
A090	<b>Agency Staff</b>	£ 23,705.92
A093	<b>Standby Staff</b>	£ 76.64
A134	<b>APT&amp;C</b>	£ 127,200.81
A200	<b>Over Pymt of Salaries</b>	-£ 1,226.70
A820	<b>Training</b>	£ 422.00
A821	<b>Training Expenses</b>	£ 559.30
A830	<b>Advertisements</b>	£ 1,518.61
A870	<b>Employee Insurance</b>	£ 5,861.44
<b>Employee Costs Subtotal</b>		<b>£ 321,622.41</b>

<b>C - Employee Costs</b>		
C000	<b>Contracted Local Govt Staff</b>	£ 3,368.44
C001	<b>Non-Contracted Local Gvt Staff</b>	£ 118.22
C007	<b>NI Local Govt Staff</b>	£ 163.21
C008	<b>Super Local Govt Staff</b>	£ 338.57
<b>Employee Costs Subtotal</b>		<b>£ 3,988.44</b>

<b>D - Premises Related Costs</b>		
D030	<b>Building R&amp;M Reactive Costs</b>	£ 728.99
D050	<b>Services R&amp;M Reactive Costs</b>	£ 721.64
D100	<b>Decorating (Unplanned)</b>	£ -
D113	<b>Fixtures &amp; Fittings R&amp;M</b>	£ 238.50
D150	<b>Service R&amp;M Unplanned</b>	£ 104.76
D250	<b>Planned Service Costs</b>	£ 314.76
D274	<b>Alarms</b>	£ 395.95

D279	Lifts	£	-
D401	Electricity	£	2,443.87
D402	Gas	£	1,442.68
D421	Non Domestic Rates	£	15,908.89
D432	Metered Water	£	890.45
D442	Metered Sewage	£	549.86
D443	Unmetered Sewage	£	329.03
D620	Building Insurance	£	1,687.50
D780	Fixtues & Fittings Purchase	£	494.25
D800	Cleaning & Domestic Supplies	£	1,405.63
D833	Window Cleaning	£	92.02
D841	Caretaking/Cleaning	£	129.49
<b>Premises Related Costs</b>		£	<b>27,878.27</b>

#### **E -Transport Related Costs**

E400	Employees Transport General	£	-
E421	Car Parking Fees	£	-
<b>Transport Related Costs</b>		£	<b>-</b>

#### **G & H - Supplies & Services**

G001	Furniture Purchases	£	473.79
G002	Admin Equipment & Purchases	£	4.25
G020	Other Equipment	£	129.09
G021	Cleaning Eqp & Supplies	£	144.13
G022	Clean/Domes. Equip	-£	180.98
G030	R&M Other Equipment	£	120.00
G100	Computer Equipment Purchase	£	6.80
G240	Telephones	£	1,347.31
G300	Stationery	£	834.89
G305	Paper Purchase (Ext)	£	9.70
G320	Printing	£	387.91
G340	Photocopying	£	320.96
G500	Books & Info Services	£	47.20
G513	Childrens Stock	£	54.92
G520	Periodicals & Magazines	£	59.00
G600	Direct Materials	£	14.33
G603	Art Materials	£	227.95
G620	Hygiene	£	909.70
G622	First Aid/Medical	£	71.18
G716	Pest Control	£	528.98
G718	Refuse Removal	£	1,061.94
G800	LCC Subscriptions	£	129.74
G808	Membership Fees	£	94.00
H210	Catering Equipment	£	228.37
H220	Catering R & M	£	175.60
H230	Catering - Provisions	£	11,933.58
H237	Catering - Other	£	219.48
H241	Mid Morning Milk	£	28.22
H242	Catering Milk	£	114.49
H246	Nursery Milk	£	902.23
H250	Catering - Materials	£	16.69
H300	Protective Clothing & Footwear	£	12.98
H320	Laundry	£	51.65
H321	Cleaning	£	7.50
<b>Supplies &amp; Services</b>		£	<b>20,487.58</b>

#### **J - 3PP Payments Related**

J510	DFS/ESF TQR&C	£	500.00
		£	-
<b>Total</b>		£	<b>500.00</b>

#### **P - Legal Services Related Subjective Codes**

P001	Legal Services Recharges	£	91.00
P004	TC Job Shop Recharges	£	72.70

P005	TC Occupational Health Recharges	£	14.32
P070	Payroll	£	1,659.84
		£	1,837.86

## Income

<b>Transfer Payments</b>			
M356	NEG 3yo	-£	13,353.60
	NEG 4yo	-£	2,080.00
<b>Total</b>		-£	15,433.60

<b>Income Related</b>			
R057	Milk Grant	-£	407.73
R201	St Fund Nondel Other	-£	381.97
<b>Total</b>		-£	789.70

<b>Income Related</b>			
S011	Crèche Income	-£	17,197.59
S503	19486 Direct Banking 22/6/05	-£	95.32
S505	Monthly Staff DP (EDUC)	-£	10,336.06
	Monthly Staff DP (EDUC)	-£	9,942.26
	Teachers	-£	10,049.86
	PS (SC&H)	-£	42,837.37
	PH (Housing)	-£	31,663.64
	PR (RAD)	-£	9,762.58
	PR	£	210.50
	PX (R&C)	-£	12,628.58
	Angela Lowery	£	1,000.00
	Salary Conversion	-£	58,805.72
	Salary Conversion	-£	29,118.76
	Salary Conversion	-£	10,098.32
	Sonal Bhavsar	-£	18.00
<b>Total</b>		-£	241,343.56

<b>Internal Income</b>			
U001	Housing	-£	99.76
U003	E&D/Leisure	-£	28.00
U008	Education	-£	118.56
<b>Income</b>		-£	246.32

## Total:

<b>Income</b>		-£	257,813.18
<b>Expenditure</b>		£	374,476.70
<b>Total</b>		£	118,501.38

2004-5 Total £ 133,589.20

## APPENDIX 2 - PROJECTION FOR THIS YEAR

### Workplace Nursery Predicted Expenditure & Income 2006-07, at present structure.

#### Summary:

FMIS Item	P1 Apr	P2 May	P3 Jun	P4 Jul	P5 Aug	P6 Sep	P7 Oct	P8 Nov	P9 Dec	P10 Jan	P11 Feb	P12-14 Mar	TOTAL	p/m
<i>Expenditure</i>														
<b>A</b> Employee Costs	£374.25	£1,697.85	£1,100.07	£1,000.00	£1,000.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	<b>£5,172.17</b>	£431.01
<b>C</b> Employee Costs	£22,891.14	£21,516.06	£21,516.06	£21,516.06	£21,516.06	£20,844.06	£20,844.06	£20,844.06	£20,844.06	£20,844.06	£20,844.06	£20,844.06	<b>£254,863.80</b>	£21,238.65
<b>D</b> Premises Related	<b>-£38.00</b>	£578.61	£27,000.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	<b>£27,540.61</b>	£2,295.05
<b>E</b> Transport Related	£0.00	£1.50	£2.81	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	<b>£4.31</b>	£0.36
<b>G</b> Supplies & Services	£0.00	£528.69	£800.00	£800.00	£800.00	£600.00	£600.00	£600.00	£600.00	£600.00	£600.00	£600.00	<b>£7,128.69</b>	£594.06
<b>H</b> Supplies & Services	£538.78	£997.45	£700.00	£700.00	£700.00	£600.00	£600.00	£600.00	£600.00	£600.00	£600.00	£600.00	<b>£7,836.23</b>	£653.02
<b>J</b> Third Party Payments	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	<b>£0.00</b>	£0.00
<b>P</b> Legal Services	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	<b>£0.00</b>	£0.00
<i>Income</i>														
<b>M</b> Transfer Payments	<b>-£3,101.24</b>	£0.00	<b>-£3,721.49</b>	£0.00	<b>-£3,638.28</b>	£0.00	<b>-£3,638.28</b>	£0.00	<b>-£3,638.28</b>	£0.00	<b>-£3,638.28</b>	£0.00	<b>-£21,375.85</b>	<b>-£1,781.32</b>
<b>R</b> Income Related	£437.04	<b>-£502.94</b>	<b>-£187.44</b>	<b>-£437.04</b>	<b>-£187.44</b>	<b>-£437.04</b>	<b>-£187.44</b>	<b>-£437.04</b>	<b>-£187.44</b>	<b>-£437.04</b>	<b>-£187.44</b>	<b>-£187.44</b>	<b>-£2,938.70</b>	<b>-£244.89</b>
<b>S</b> Income Related	<b>-£9,894.62</b>	<b>-£11,378.42</b>	<b>-£25,991.00</b>	<b>-£15,035.65</b>	<b>-£15,035.65</b>	<b>-£13,391.88</b>	<b>-£13,391.88</b>	<b>-£13,391.88</b>	<b>-£13,391.88</b>	<b>-£13,391.88</b>	<b>£13,391.88</b>	<b>£13,391.88</b>	<b>-£171,078.50</b>	<b>-£14,256.54</b>
<b>U</b> Internal Income	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	<b>£0.00</b>	£0.00
<b>Expenditure</b>	<b>£23,766.17</b>	<b>£25,320.16</b>	<b>£51,118.94</b>	<b>£24,016.06</b>	<b>£24,016.06</b>	<b>£22,044.06</b>	<b>£22,044.06</b>	<b>£22,044.06</b>	<b>£22,044.06</b>	<b>£22,044.06</b>	<b>£22,044.06</b>	<b>£22,044.06</b>	<b>£302,545.81</b>	<b>£25,212.15</b>
<b>Income</b>	<b>£12,558.82</b>	<b>-£11,881.36</b>	<b>-£29,899.93</b>	<b>-£15,472.69</b>	<b>-£18,861.37</b>	<b>-£13,828.92</b>	<b>-£17,217.60</b>	<b>-£13,828.92</b>	<b>-£17,217.60</b>	<b>-£13,828.92</b>	<b>£17,217.60</b>	<b>£13,579.32</b>	<b>-£195,393.05</b>	<b>-£16,282.75</b>
<b>Total</b>	<b>£11,207.35</b>	<b>£13,438.80</b>	<b>£21,219.01</b>	<b>£8,543.37</b>	<b>£5,154.69</b>	<b>£8,215.14</b>	<b>£4,826.46</b>	<b>£8,215.14</b>	<b>£4,826.46</b>	<b>£8,215.14</b>	<b>£4,826.46</b>	<b>£8,464.74</b>	<b>£107,152.76</b>	<b>£8,929.40</b>
		Q1	<b>£45,865.16</b>		Q2	<b>£21,913.20</b>		Q3	<b>£17,868.06</b>		Q4	<b>£21,506.34</b>		
											Average			
											Per Month	<b>£8,929.40</b>		

This chart represents the predicted income and expenditure for the nursery for this financial year. April and May are actual spend figures for this year the rest are predicted. The figures are based on both the wage bill and the expected income being reduced in September due to children leaving the nursery to go to school, and natural wastage of employees.

This shows a predicted spend for the year of £107,152.76, representing an average deficit of £8929.40 per month.



# APPENDIX 3 - CURRENT FEE STRUCTURE

## Workplace Nursery Fees 2006 - 2007

### UNDER 2's

#### FULL TIME

Monthly:		<b>£631.13</b>
Weekly:		£148.50
Daily:	*	£29.70

#### 5 x AM or PM

Monthly:		<b>£398.44</b>
Weekly:		£93.75
Daily:	*	£18.75

#### CASUAL RATES

Casual Day	*	<b>£30.80</b>
Casual AM or PM	*	<b>£19.80</b>
Casual AM or PM		<b>£11.00</b>
(If already attending)		

#### VARIOUS PATTERNS

4	<b>£523.60</b>	£123.20
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### AGE 2 -3

#### FULL TIME

Monthly:		<b>£567.59</b>
Weekly:		£133.55
Daily:	*	£26.71

#### 5 x AM or PM

Monthly:		<b>£371.03</b>
Weekly:		£87.30
Daily:	*	£17.46

#### CASUAL RATES

Casual Day	*	<b>£28.76</b>
Casual AM or PM	*	<b>£18.50</b>
Casual AM or PM		<b>£10.26</b>
(If already attending)		

#### VARIOUS PATTERNS

4	<b>£488.92</b>	£115.04
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### AGE 3-4 (Nursery Grant)

**£ 37.82 grant p/w**

Nursery Grants are available for 38 weeks per academic year (September - August). The amount available varies each term depending of the number of weeks in that term. This will generally be 11, 12, 13 or 14 weeks.

The amount for each term will be deducted in four instalments from your fees as follows:

Weeks	Total	Monthly Deduction
11	£ 416.00	£ 104.00
120	£ 453.82	£ 113.45
13	£ 491.64	£ 122.91
14	£ 529.45	£ 132.36

The Nursery Grant is not available for casual attendance - it can only be claimed for the amount of sessions you are currently registered for at the start of each term.

The above amounts are based on attending 5 sessions per week - if you attend for less than 5

3	1	£476.85	£112.20	3	1	£445.32	£104.78
3		£392.70	£92.40	3		£366.69	£86.28
2.5		£327.25	£77.00	2.5		£305.58	£71.90
2	1	£345.95	£81.40	2	1	£323.09	£76.02
2		£261.80	£61.60	2		£244.46	£57.52
1	2	£299.20	£70.40	1	2	£279.48	£65.76
1	1	£215.05	£50.60	1	1	£200.86	£47.26
1		£130.90	£30.80	1		£122.23	£28.76
	5	£398.44	£93.75		5	£371.03	£87.30
	4	£336.60	£79.20		4	£314.50	£74.00
	3	£252.45	£59.40		3	£235.88	£55.50
	2	£168.30	£39.60		2	£157.25	£37.00
	1	£84.15	£19.80		1	£78.63	£18.50

sessions, then the grant will be reduced proportionally.

**Late Charges = £15 for first 15 minutes, £5 for every subsequent 15 minutes.**

## APPENDIX 4 - STAFF STRUCTURE PROPOSALS

### Workplace Nursery Staff Costs

2006/7 (at present structure)

Post	Scale	Spinal	Hours	FTE	Salary	Salary Pro-rata	Oncosts 25.1%	Total	
Manager	PO	36	37.00	1.00	£ 28,221.00	£ 28,221.00	£ 7,083.47	£ 35,304.47	
Team Assistant	3	14	25.00	0.68	£ 14,787.00	£ 9,991.22	£ 2,507.80	£ 12,499.01	
Senior Nursery Officer	5	24	37.00	1.00	£ 19,614.00	£ 19,614.00	£ 4,923.11	£ 24,537.11	
Senior Nursery Officer	5	24	37.00	1.00	£ 19,614.00	£ 19,614.00	£ 4,923.11	£ 24,537.11	
Nursery Officer	3	17	37.00	1.00	£ 15,825.00	£ 15,825.00	£ 3,972.08	£ 19,797.08	
Nursery Officer	3	17	37.00	1.00	£ 15,825.00	£ 15,825.00	£ 3,972.08	£ 19,797.08	
Nursery Officer	3	17	37.00	1.00	£ 15,825.00	£ 15,825.00	£ 3,972.08	£ 19,797.08	
Nursery Officer	3	17	37.00	1.00	£ 15,825.00	£ 15,825.00	£ 3,972.08	£ 19,797.08	
Nursery Officer	3	17	37.00	1.00	£ 15,825.00	£ 15,825.00	£ 3,972.08	£ 19,797.08	
Nursery Officer	3	17	37.00	1.00	£ 15,825.00	£ 15,825.00	£ 3,972.08	£ 19,797.08	
Nursery Officer	1	4	37.00	1.00	£ 11,193.00	£ 11,193.00	£ 2,809.44	£ 14,002.44	
Asst Nursery Officer	1	4	37.00	1.00	£ 11,193.00	£ 11,193.00	£ 2,809.44	£ 14,002.44	
Trainee	1	4	15.00	0.41	£ 11,193.00	£ 4,537.70	£ 1,138.96	£ 5,676.67	
Trainee	1	4	37.00	1.00	£ 11,193.00	£ 11,193.00	£ 2,809.44	£ 14,002.44	
Trainee	1	4	37.00	1.00	£ 11,193.00	£ 11,193.00	£ 2,809.44	£ 14,002.44	
Sessional		£ 7.06	37.00	1.00		£ 13,583.44	£ 3,409.44	£ 16,992.88	
Sessional		£ 7.06	22.00	0.59		£ 8,076.64	£ 2,027.24	£ 10,103.88	
Premises Officer	1	6	22.00	0.59	£ 11,619.00	£ 6,908.59	£ 1,734.06	£ 8,642.65	
Premises Officer	1	6	15.00	0.41	£ 11,619.00	£ 4,710.41	£ 1,182.31	£ 5,892.72	
Chef in Charge	1	6	37.00	1.00	£ 11,619.00	£ 11,619.00	£ 2,916.37	£ 14,535.37	
Kitchen Assistant	1	5	15.00	0.41	£ 11,454.00	£ 4,643.51	£ 1,165.52	£ 5,809.04	
Kitchen Assistant	1	6	15.00	0.41	£ 11,619.00	£ 4,710.41	£ 1,182.31	£ 5,892.72	
					<b>£ 291,081.00</b>	<b>£ 275,951.92</b>	<b>£ 69,263.93</b>	<b>£ 345,215.85</b>	<b>£ 28,767.99 p/m</b>

*Sessional Staff not included in calculations, as they are covering the above vacant posts.*

Sessional Childcare Worker	£ 7.06	3.00	0.08		£ 1,101.36	£ 276.44	£ 1,377.80
Sessional Childcare Worker	£ 7.06	22.50	0.61		£ 8,260.20	£ 2,073.31	£ 10,333.51

Sessional (Premises Officer)	£ 5.93	15.00	0.41	£	4,625.40	£	1,160.98	£	5,786.38
Sessional Worker	£ 7.06	1.25	0.03	£	458.90	£	115.18	£	574.08
Team Asst. (Standby)			0.00	£	-	£	-	£	-

£ 349,011.00      £ 344,649.78      £ 86,507.09      £ 431,156.87

**Proposed New Structure 2006/07**

Post	Scale	Spinal	Hours	FTE	Salary	Salary Pro-rata	Oncosts 25.1%	Total
Manager	PO	36	37.00	1.00	£ 28,221.00	£ 28,221.00	£ 7,083.47	£ 35,304.47
Team Assistant	3	14	18.50	0.50	£ 14,787.00	£ 7,393.50	£ 1,855.77	£ 9,249.27
Senior Practitioner	5	24	37.00	1.00	£ 19,614.00	£ 19,614.00	£ 4,923.11	£ 24,537.11
Senior Nursery Officer	4	18	37.00	1.00	£ 16,137.00	£ 16,137.00	£ 4,050.39	£ 20,187.39
Nursery Officer	3	15	37.00	1.00	£ 15,096.00	£ 15,096.00	£ 3,789.10	£ 18,885.10
Nursery Officer	3	15	37.00	1.00	£ 15,096.00	£ 15,096.00	£ 3,789.10	£ 18,885.10
Nursery Officer	3	15	37.00	1.00	£ 15,096.00	£ 15,096.00	£ 3,789.10	£ 18,885.10
Nursery Officer	3	15	37.00	1.00	£ 15,096.00	£ 15,096.00	£ 3,789.10	£ 18,885.10
Nursery Officer	3	15	37.00	1.00	£ 15,096.00	£ 15,096.00	£ 3,789.10	£ 18,885.10
Nursery Officer	2	12	37.00	1.00	£ 14,142.00	£ 14,142.00	£ 3,549.64	£ 17,691.64
Nursery Officer	2	12	37.00	1.00	£ 14,142.00	£ 14,142.00	£ 3,549.64	£ 17,691.64
Nursery Officer	2	12	37.00	1.00	£ 14,142.00	£ 14,142.00	£ 3,549.64	£ 17,691.64
Nursery Officer	2	12	37.00	1.00	£ 14,142.00	£ 14,142.00	£ 3,549.64	£ 17,691.64
Nursery Officer	1	4	37.00	1.00	£ 11,193.00	£ 11,193.00	£ 2,809.44	£ 14,002.44
Nursery Officer	1	4	37.00	1.00	£ 11,193.00	£ 11,193.00	£ 2,809.44	£ 14,002.44
Premises Officer	1	5	18.50	0.50	£ 11,454.00	£ 5,727.00	£ 1,437.48	£ 7,164.48
Premises Officer	1	5	18.50	0.50	£ 11,454.00	£ 5,727.00	£ 1,437.48	£ 7,164.48
Chef in Charge	3	14	37.00	1.00	£ 14,787.00	£ 14,787.00	£ 3,711.54	£ 18,498.54
Kitchen Assistant	1	5	16.00	0.43	£ 11,454.00	£ 4,953.08	£ 1,243.22	£ 6,196.30

£ 282,342.00      £ 256,993.58      £ 64,505.39      £ 321,498.97      £ 26,791.58 p/m

Total Cost (Present) :      £ 345,215.85

Total Cost (Proposed) :      £ 321,498.97

**Saving:                              £ 23,716.88**

This chart shows the estimated annual cost of the present staff structure, compared to the estimated cost of the proposed new structure. The new structure would represent a saving of £23,716.88 per annum on the present structure. Further savings would probably be made due to not having to employ extra sessional staff as this structure would be able to cover 100% capacity at the nursery.

# APPENDIX 5 - PROJECTED INCOME WITH NEW STAFF STRUCTURE

## Workplace Nursery Predicted Income & Expenditure Per Month with new Staff Structure

Capacity	Children	Sessions	A			B			C		
			100% Council			60% Council 40% Private			50% Council 50% Private		
			Predicted Income	Predicted Expenditure	Predicted Defecit	Predicted Income Private Children (40%)	Predicted Expenditure with Sector (40%)	Predicted Private Children Predicted Defecit	Predicted Income Private Children (50%)	Predicted Expenditure with Sector Private Children (50%)	Predicted with Sector Predicted Defecit
10.0%	8	48	£ 2,971.01	£ 30,822.05	£27,851.04	£ 4,218.83	£ 30,822.05	£ 26,603.22	£ 4,530.79	£ 30,822.05	£ 26,291.27
12.5%	10	60	£ 3,713.76	£ 30,822.05	£27,108.29	£ 5,273.54	£ 30,822.05	£ 25,548.51	£ 5,663.48	£ 30,822.05	£ 25,158.57
15.0%	12	72	£ 4,456.51	£ 30,822.05	£26,365.54	£ 6,328.24	£ 30,822.05	£ 24,493.81	£ 6,796.18	£ 30,822.05	£ 24,025.87
17.5%	14	84	£ 5,199.26	£ 30,822.05	£25,622.79	£ 7,382.95	£ 30,822.05	£ 23,439.10	£ 7,928.87	£ 30,822.05	£ 22,893.18
20.0%	16	96	£ 5,942.01	£ 30,822.05	£24,880.04	£ 8,437.66	£ 30,822.05	£ 22,384.39	£ 9,061.57	£ 30,822.05	£ 21,760.48
22.5%	18	108	£ 6,684.77	£ 30,822.05	£24,137.29	£ 9,492.37	£ 30,822.05	£ 21,329.68	£ 10,194.27	£ 30,822.05	£ 20,627.78
25.0%	20	120	£ 7,427.52	£ 30,822.05	£23,394.53	£ 10,547.07	£ 30,822.05	£ 20,274.98	£ 11,326.96	£ 30,822.05	£ 19,495.09
27.5%	22	132	£ 8,170.27	£ 30,822.05	£22,651.78	£ 11,601.78	£ 30,822.05	£ 19,220.27	£ 12,459.66	£ 30,822.05	£ 18,362.39
30.0%	24	144	£ 8,913.02	£ 30,822.05	£21,909.03	£ 12,656.49	£ 30,822.05	£ 18,165.56	£ 13,592.36	£ 30,822.05	£ 17,229.69
32.5%	26	156	£ 9,655.77	£ 30,822.05	£21,166.28	£ 13,711.20	£ 30,822.05	£ 17,110.85	£ 14,725.05	£ 30,822.05	£ 16,097.00
35.0%	28	168	£10,398.52	£ 30,822.05	£20,423.53	£ 14,765.90	£ 30,822.05	£ 16,056.15	£ 15,857.75	£ 30,822.05	£ 14,964.30
37.5%	30	180	£11,141.28	£ 30,822.05	£19,680.77	£ 15,820.61	£ 30,822.05	£ 15,001.44	£ 16,990.45	£ 30,822.05	£ 13,831.60
40.0%	32	192	£11,884.03	£ 30,822.05	£18,938.02	£ 16,875.32	£ 30,822.05	£ 13,946.73	£ 18,123.14	£ 30,822.05	£ 12,698.91
42.5%	34	204	£12,626.78	£ 30,822.05	£18,195.27	£ 17,930.03	£ 30,822.05	£ 12,892.02	£ 19,255.84	£ 30,822.05	£ 11,566.21
45.0%	36	216	£13,369.53	£ 30,822.05	£17,452.52	£ 18,984.73	£ 30,822.05	£ 11,837.32	£ 20,388.54	£ 30,822.05	£ 10,433.52
47.5%	38	228	£14,112.28	£ 30,822.05	£16,709.77	£ 20,039.44	£ 30,822.05	£ 10,782.61	£ 21,521.23	£ 30,822.05	£ 9,300.82
50.0%	40	240	£14,855.04	£ 30,822.05	£15,967.02	£ 21,094.15	£ 30,822.05	£ 9,727.90	£ 22,653.93	£ 30,822.05	£ 8,168.12
52.5%	42	252	£15,597.79	£ 30,822.05	£15,224.26	£ 22,148.86	£ 30,822.05	£ 8,673.19	£ 23,786.62	£ 30,822.05	£ 7,035.43
55.0%	44	264	£16,340.54	£ 30,822.05	£14,481.51	£ 23,203.56	£ 30,822.05	£ 7,618.49	£ 24,919.32	£ 30,822.05	£ 5,902.73
57.5%	46	276	£17,083.29	£ 30,822.05	£13,738.76	£ 24,258.27	£ 30,822.05	£ 6,563.78	£ 26,052.02	£ 30,822.05	£ 4,770.03
60.0%	48	288	£17,826.04	£ 30,822.05	£12,996.01	£ 25,312.98	£ 30,822.05	£ 5,509.07	£ 27,184.71	£ 30,822.05	£ 3,637.34
62.5%	50	300	£18,568.79	£ 30,822.05	£12,253.26	£ 26,367.69	£ 30,822.05	£ 4,454.36	£ 28,317.41	£ 30,822.05	£ 2,504.64

This chart demonstrated the predicted income taking into account the new staff structure, and the anticipated numbers of children for the year.

Column 'B' shows that by introducing children from the private sector (to a maximum of 40% of the available sessions) and increasing the charge for private sector children by 5%, a break-even figure of 75% capacity can be achieved.

By increasing the number of places for private children to 50%, a break-even point of 70% capacity can be achieved.

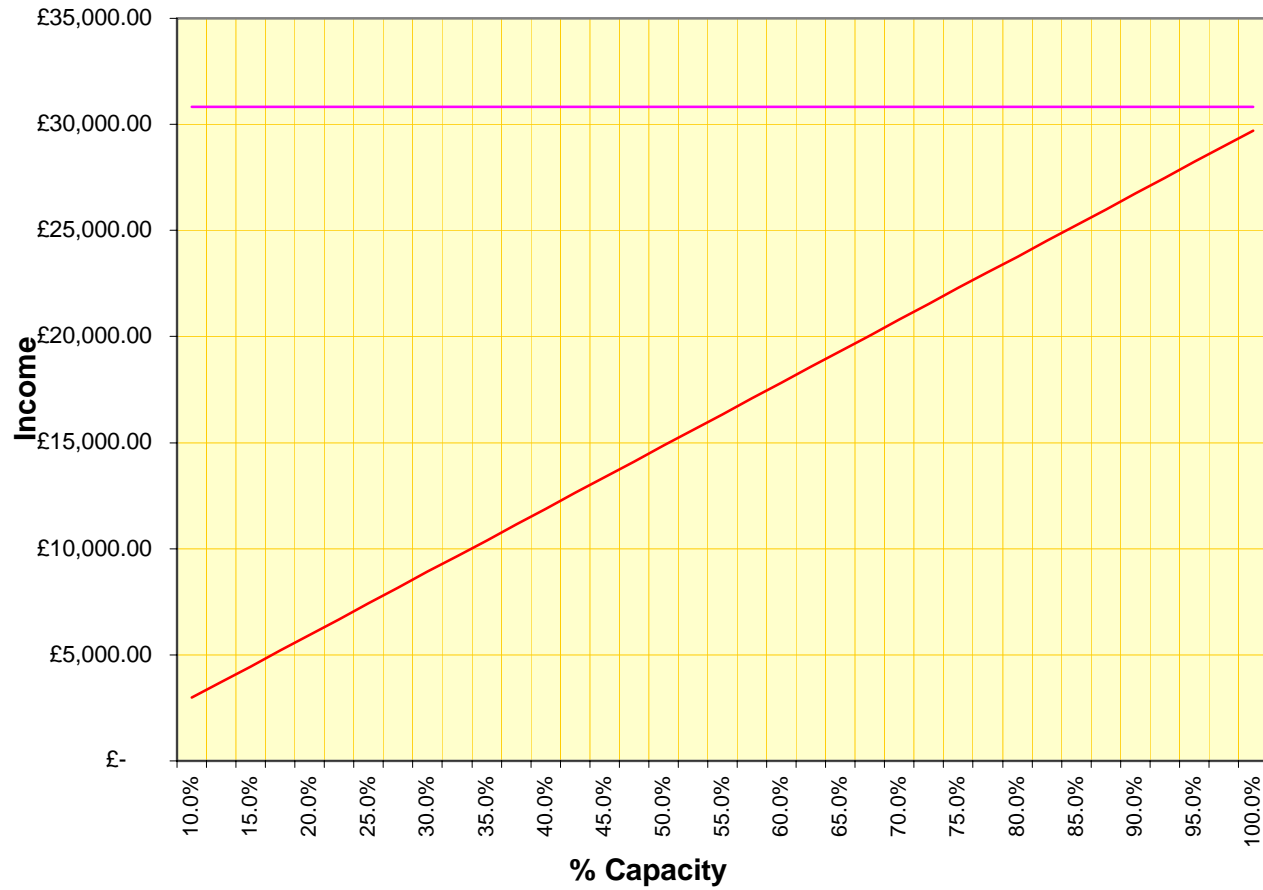
See graphs overleaf.

65.0%	52	312	£19,311.55	£ 30,822.05	£11,510.51	£ 27,422.39	£ 30,822.05	£ 3,399.66	£ 29,450.11	£ 30,822.05	£ 1,371.94
67.5%	54	324	£20,054.30	£ 30,822.05	£10,767.75	£ 28,477.10	£ 30,822.05	£ 2,344.95	£ 30,582.80	£ 30,822.05	£ 239.25
70.0%	56	336	£20,797.05	£ 30,822.05	£10,025.00	£ 29,531.81	£ 30,822.05	£ 1,290.24	£ 31,715.50	£ 30,822.05	-£ 893.45
72.5%	58	348	£21,539.80	£ 30,822.05	£ 9,282.25	£ 30,586.52	£ 30,822.05	£ 235.53	£ 32,848.20	£ 30,822.05	-£ 2,026.15
75.0%	60	360	£22,282.55	£ 30,822.05	£ 8,539.50	£ 31,641.22	£ 30,822.05	-£ 819.17	£ 33,980.89	£ 30,822.05	-£ 3,158.84
77.5%	62	372	£23,025.30	£ 30,822.05	£ 7,796.75	£ 32,695.93	£ 30,822.05	-£ 1,873.88	£ 35,113.59	£ 30,822.05	-£ 4,291.54
80.0%	64	384	£23,768.06	£ 30,822.05	£ 7,053.99	£ 33,750.64	£ 30,822.05	-£ 2,928.59	£ 36,246.29	£ 30,822.05	-£ 5,424.23
82.5%	66	396	£24,510.81	£ 30,822.05	£ 6,311.24	£ 34,805.35	£ 30,822.05	-£ 3,983.30	£ 37,378.98	£ 30,822.05	-£ 6,556.93
85.0%	68	408	£25,253.56	£ 30,822.05	£ 5,568.49	£ 35,860.05	£ 30,822.05	-£ 5,038.00	£ 38,511.68	£ 30,822.05	-£ 7,689.63
87.5%	70	420	£25,996.31	£ 30,822.05	£ 4,825.74	£ 36,914.76	£ 30,822.05	-£ 6,092.71	£ 39,644.37	£ 30,822.05	-£ 8,822.32
90.0%	72	432	£26,739.06	£ 30,822.05	£ 4,082.99	£ 37,969.47	£ 30,822.05	-£ 7,147.42	£ 40,777.07	£ 30,822.05	-£ 9,955.02
92.5%	74	444	£27,481.81	£ 30,822.05	£ 3,340.24	£ 39,024.18	£ 30,822.05	-£ 8,202.13	£ 41,909.77	£ 30,822.05	-£ 11,087.72
95.0%	76	456	£28,224.57	£ 30,822.05	£ 2,597.48	£ 40,078.88	£ 30,822.05	-£ 9,256.83	£ 43,042.46	£ 30,822.05	-£ 12,220.41
97.5%	78	468	£28,967.32	£ 30,822.05	£ 1,854.73	£ 41,133.59	£ 30,822.05	-£ 10,311.54	£ 44,175.16	£ 30,822.05	-£ 13,353.11
100.0%	80	480	£29,710.07	£ 30,822.05	£ 1,111.98	£ 42,188.30	£ 30,822.05	-£ 11,366.25	£ 45,307.86	£ 30,822.05	-£ 14,485.81

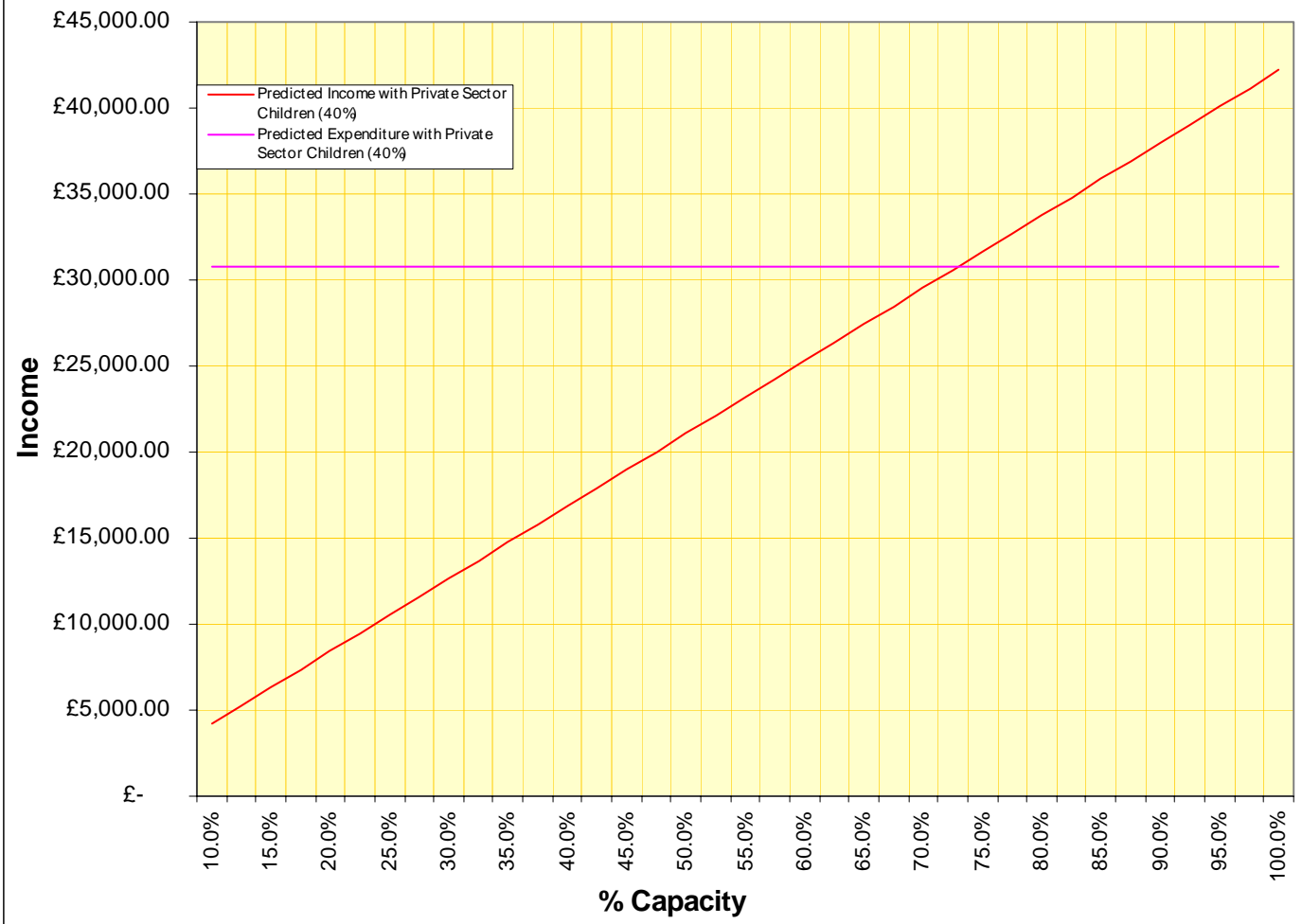
<b>Expenditure per month =</b>	Staff	£26,791.58
	Premises	£ 2,323.17
	Supplies	£ 1,707.30
		<b>£30,822.05</b>

### Workplace Nursery - Predicted Income & Expenditure

- Predicted Income
- Predicted Expenditure

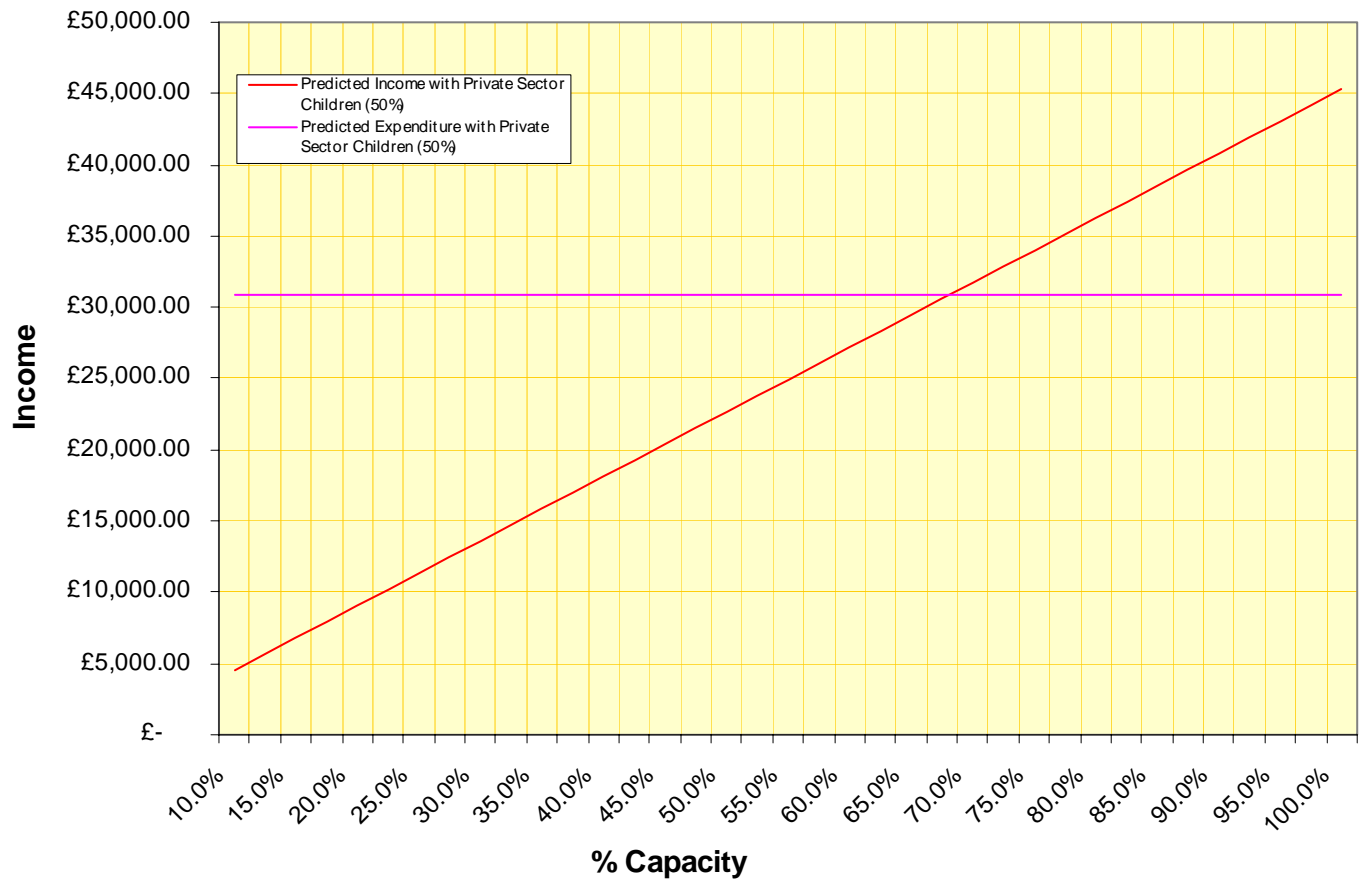


### Workplace Nursery - Predicted Income with Private Sector 40%





### Workplace Nursery - Predicted Income with Private Sector 50%



## APPENDIX 6 – ACTION PLAN 2006/7

In order to make the Nursery sustainable, the following actions are required:

Action	By whom?	By when
Increasing take up by eligible parents of the Salary Conversion Scheme.	Corporate Resources Human	July 2006
Staffing review, following protocol. First stage invite staff and unions to an initial meeting. Give 14 days notice of arranged first meeting.	Nursery Manager in consultation with Human resources & Trade Unions	July 2006
A new admissions policy be written and implemented to allow the nursery to take children from outside of the council.	Nursery Manager with Senior Management approval	July 2006
Minor works programme to be commissioned for start date in September.	Nursery Manager	July 2006
Consult with parent's association re-decisions and seek support to promote salary conversion.	Operations management team.	July 2006
Commission the production of advertising materials.	Nursery Manager & Marketing Dept	July 2006
Consult with other day care providers in the local area.	Nursery & Operations Manager	July 2006
Consult with parents on new fee structure.	Nursery & Operations Manager	July 2006
Distribute marketing information to local companies already contacted.	Nursery Manager	August 2006
Make contact with other local business in the locality already identified.	Nursery Manager	August 2006
Contact the planners for the cultural sector and identify other local firms to target advertising materials.	Nursery Manager	August 2006
Children leave for school and Trainees leave the nursery.		August 2006
Explore further advertising within the Council via general e-Mail, Source and Link magazine.	Nursery Manager	August 2006
Display advertising materials at the nursery.	Nursery Manager	August 2006

Meet with representative group re: proposals for staff review.	Operations & Nursery Manager	August 2006
Send out advertising materials to local schools and Health service.	Nursery Manager	September 2006
Building and redecoration work to commence.	Building contractor in consultation with Nursery Manager	September 2006
Implement new fee structure	Nursery Manager & Finance Officer	September 2006
Meet with staff & unions re: staff review and issue 90 days notice.	Operations & Nursery Manager	September 2006
Distribute advertising materials to other identified local companies.	Nursery Manager	September 2006
Advertise places for half term, making contact with parents of children who have recently left.	Nursery Manager	September 2006
Purchase new equipment.	Nursery staff	September 2006
Implement career grade and revised shift patterns for staff.	Operations & Nursery Manager	November 2006
Advertise Senior Nursery Officers post.	Nursery Manager	November 2006