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**Improving quality**

**for children**

A quality improvement tool
for early years provision

**Section 8**

**Leadership and management:**

**Sustainability and continuous improvement**

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| **Name of setting** |  |
| **Date:** |  |

* The setting’s leadership is central to the five steps in the improvement cycle. It is essential that the setting has ownership of these steps to ensure the strengthening of self-evaluation and sustained quality improvement
* Regular planning is essential to ensure that the setting can continue to operate and can develop its activities if desired, and also to help anticipate opportunities and potential problems.
**(Finance in Early Years Settings PLA)**
* All businesses must have sufficient money in the bank (or be owed sufficient money) to cover expenses as they become due. Businesses should build up suitable reserves to cover unexpected expenditure, periods of lower than average income or specific projects.
**(Finance in Early Years Settings PLA)**

**The sustainability of the setting impacts on practice.**

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| **Leadership and management: sustainability and continuous improvement** |
|  | **Key Statement** | **How do you know? What is your evidence** | **Met****Y/P/N** |
| 1 | The setting is sustainable and occupancy is above 50%. |  |  |
| 2 | Forward planning regarding occupancy, free places and staffing is carried out. |  |  |
| 3 | The business plan (including the financial plan) is reviewed and up dated regularly. |  |  |
| 4 | There are sufficient reserves and an emergency plan available to cope with the unexpected, for example, temporary closure due to damage to premises.  |  |  |
| 5 | The setting has sufficient buildings and contents insurance. For example, if cover is not ‘new for old’ the insurance will probably not cover the cost of replacing equipment in the event of damage (eg, a fire). |  |  |
| 6 | Cash flow forecasts are drawn up and used. The petty cash is regularly reconciled. |  |  |
| 7 | Marketing materials and/or setting website are up-to-date and regularly reviewed. |  |  |
| 8 | Business-related meetings, forums and conferences are attended on a regular basis.  |  |  |
| 9 | Census information for the local authority is kept (where children are receiving free entitlement to early years - *EEF*). |  |  |
| 10 | A Privacy Notice is displayed for parents and issued to all families. |   |  |

**Criteria for assessment**

Use the criteria below to assess the quality of your provision.

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| **Inadequate****Urgent actions for development** | **Requires Improvements****Some actions for development** | **Good/Outstanding****Continued development** |
| **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| No financial plans, for example no estimated budget or cash flow forecast  | Endeavours to keep spending lower than income | Setting prepares an estimated budget and cash flow forecast and monitors actual income and expenditure against planned income and expenditure. Setting is aware of how many places need to be filled to break even |
| No knowledge of how many places they need to fill to break even.  | Aware of need to increase numbers to improve income  | Setting files financial papers and electronic records methodically and can retrieve them easily and quickly when they are required |
| Little or no marketing of services | Uses paper record system or does not use electronic system to its advantage | Setting has a business plan, including a marketing plan |
| No cash flow systems in place and administration poor | Has a business plan but it may be out of date and in need or review | Setting ensures that all cash is banked on receipt, and that petty cash is withdrawn from the bank, and managed, correctly |
| Slow to prepare annual accounts and submit financial reports | Petty cash system in place but not always reconciled regularly. | Setting makes plans for big ‘one off’ purchases as part of its financial planning |
| Little or no knowledge of potential funding streams. Little or no forward planning | Sometimes cash received is spent rather than banked. | Setting prepares accurate financial reports and end of year accounts in a timely manner |
| Little or no reserves | Some reserves but may be insufficient in the event of a ‘one off’ payment to cover maternity leave, redundancy  | Setting keeps abreast of potential funding streams and planned changes (ie changes caused by legislation) through meetings, conferences, reading |
| No policy on deposits or notice from parents when a child leaves  | Financial records are adequate, but could be improved | Setting keeps accurate, up-to-date accounts and records for accounting and audit purposes |

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| **Areas for development:**  |