



**Purnima Tanuku** OBE,  
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looks at how nurseries can address issues around staff pay during times of financial restraint...

**C**entral to the success of any nursery, and the quality of the care it offers its children, are its members of staff. Recognising their contribution and rewarding their achievements is clearly important in terms of retaining valuable team members and encouraging good practice; but in times of economic difficulty, such as those we currently face, it can be far trickier to reward staff for their hard work than in times of greater prosperity. Finding a sustainable solution that doesn't compromise your business's long-term future while ensuring that your staff receive adequate recompense for their hard work is therefore essential.

Here we examine three commonly-asked questions on staff pay.

**Q** I have a small budget to reward my staff in a 'non-financial' way. How should I spend it?

**A** Nurseries are increasingly looking at ways to recognise the dedication of their hard-working teams. There are many non-financial ways to reward your staff. For example, perhaps you could introduce a 'team member of the month' with a gift voucher as a prize, or do something simple such as showing staff they are appreciated by providing a free fruit bowl in the staff room. Some nurseries have a formal employee benefits packages for staff – for example, working with insurance providers to secure discounts for the team or rewarding employees with profit-related bonuses or extra days holidays for good performance. Offering discounted childcare within the nursery is also a popular benefit with many staff. You do not say how much you have in your budget, but why not ask your team how they think you should spend it? You could give them some of your own ideas in the first instance, but by asking them what they think you should do, the team will have real ownership of your scheme and will be encouraged to achieve the goals you set behind it.

# striking THE RIGHT balance



## findoutmore

NDNA is the national charity and membership association for children's nurseries across the UK, supporting settings across all sectors to deliver the best possible care and early learning for children whilst ensuring they are sustainable businesses. If you have a question, or want to know how NDNA can support you, visit [www.ndna.org.uk](http://www.ndna.org.uk)

**Q** We have frozen the fees at our nursery due to the current economic climate and, as a consequence, I don't think I can pay staff an inflationary rise. How can I approach my staff about this?

**A** Although the media is full of stories of public sector workers experiencing frozen salaries, in comparison childcare generally remains a low-pay sector. It is therefore important to be sensitive when telling your staff that an inflationary rise is not possible. Your fees should be calculated to reflect all of your costs and give you enough surplus to reinvest in important areas such as your team. If you have taken the decision not to review fees due to the pressure on parents it is important to consider all routes to being able to pay a rise. For example, by shopping around and buying in bulk you could save hundreds of pounds – which could be put towards an increase.

Be honest with your team and show them how you have calculated the budgets. You could encourage them to take responsibility for an area of the budget, for example, asking them to shop around and find the best deals that don't compromise quality. Doing this also makes everyone conscious of costs and encourages everyone to take responsibility for making savings – including by doing simple things like switching lights off and ensuring food is not wasted. If you make sustainability a shared aim you are likely to find that some increase is possible – and if not, by being honest with staff you can ensure they remain supportive and motivated. If you really cannot pay a rise, make sure you set a date for reviewing the situation and consider if there are other ways to reward your hard-working team.

**Q** I am considering recruiting a graduate nursery manager, and looking at the other jobs advertised I will need to offer significantly more money than my current pay scales allow. Will there be any issues with this?

**A** Whilst salaries are, of course, a factor in attracting and retaining well-qualified staff, there are a number of issues you need to consider with introducing a new level in the scale. Firstly, it goes without saying that it is important to ensure that you can actually afford to pay the salary you are considering offering, and that it will be sustainable for your setting. For example, a larger nursery is likely to find a graduate salary more affordable than a small 25 place setting and you will need to look at your budgets to ensure you can pay this.

Whilst parents may be accepting of a rise in fees if it will benefit their child and understand you need to reward and retain staff, in the current climate they may not be able to afford a significant increase if you will have to raise fees a great deal to pay the salary. It is also important to consider the impact on your existing staff – does the salary of a graduate leader seem reasonable when compared with what they are paid? After all, they will have worked hard to achieve qualifications and your structure must support their progression too. Finally, have you considered your reasons for wanting a graduate leader, and checked if there is anyone you could train up? This will help you to recognise the skills and talents of your team, and you could provide a phased approach to the salary, making it more sustainable. Financial help is also still available to support the cost of developing a graduate leader – get in touch with your Local Authority for further information.