

# THE LITTLE LOT NURSERY

## STAFF PAY POLICY

This document sets out, in summary, The Little Lot Nursey's approach to pay.

### Pay reviews

The Little Lot Nursery reviews the pay of its employees on an annual basis. A pay review does not, however, guarantee that any increase will be implemented. Any increases to pay are entirely at the discretion of the setting.

The annual pay review process is normally based on the following:

- individual performance
- company performance
- adherence to the national minimum wage
- cost of living increases

### Key principles

The setting's key principles when reviewing and applying pay increases are:

1. to pay employees at a level that allows the setting to remain sustainable in a difficult and unpredictable economic climate, whilst also taking into account specific strategic requirements and key market rate factors where relevant
2. to establish a strong link between pay and performance with annual pay increases (and bonuses) reflecting performance (behaviour and delivery) in the job
3. to ensure that total remuneration (salary and benefits e.g. pension) are appropriately aligned with the external job market so that The Little Lot Nursery can recruit and retain people with the right skills
4. to effectively consider other aspects of employee benefits (pay, benefits, training and development, career progression, work-life balance, etc) to attract, engage and retain the right talent
5. to gather and consider data on external market pay rates and salary percentage increases
6. to ensure a fair and consistent approach to remuneration of employees, both in terms of basic pay and other payments
7. to promote an equal pay agenda by ensuring that pay systems meet legislative requirements
8. to take a flexible approach and to tailor salaries to take into consideration regional differences
9. to consider the impact of previous pay awards (and bonuses) on the setting's performance, recruitment and retention of employees
10. to assess the impact of any proposed increase prior to implementation and agreement

11. to recognise that pay freezes may be necessary to keep overall wage costs frozen at existing levels during periods of financial difficulty.

### **Pay progression**

Employee will be placed on a pay band. Employees will move to the next point on their pay grade on an annual basis, subject to funding. Therefore, employees will normally be entitled to progress by one increment on their current pay band for each year of service, until reaching the top of that pay band, when no further increments will be payable.

### **Bonus payment**

In addition to an increase to salary, employees and workers may be eligible to a cash bonus which is discretionary. The value of the bonus is determined by:

- individual performance
- company performance

Bonus amounts are reviewed each year. A bonus amount review does not, however, guarantee that any bonuses will be implemented, as any bonus allocation is entirely at the discretion of setting.

Any bonus payment is subject to income tax deductions.

Bonuses do not count for pension purposes. It is also not counted towards the employer contributions to pension.

### **Starting salaries**

Internally recruited employees will move on their current pay if they are moving to a new job within the same pay grade or band. If they are promoted to a higher pay grade or band then the normal promotion rules will apply.

Externally recruited staff will start on the minimum of the relevant pay grade or band, unless there is a sound case for them to enter on a higher salary.

### **Acting up allowances**

Where an employee covers the full range of duties of a post on a higher pay grade or band, for a period of two weeks or more, the setting will pay that employee an acting up allowance, so that this temporary pay is at the rate of the higher post.

Where a member of staff is covering some, but not all of the duties of a post on a higher pay grade or band, the setting will consider an honorarium payment. This will be calculated on the difference in salary between the substantive and higher pay grade or band, taking account of the proportion of work undertaken in the post on the higher pay grade or band.

### **Benefits**

The setting currently provides the following benefits:

- Employer pension
- Paid sick pay of 10 days per annum

This policy was adopted by

The Little Lot Nursery

On

\_\_\_\_\_

(date)

Date to be reviewed

\_\_\_\_\_

(date)

Signed on behalf of the provider

\_\_\_\_\_

Name of signatory

\_\_\_\_\_

Role of signatory

(e.g. chair, director or trustee)

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