

Part 3: Exam practice

Using **NO MORE THAN THREE WORDS** for each, answer the following questions.

- 1 Why do private providers feel they need to pay as much as children's centres?

- 2 What is the most a senior nursery nurse could earn?

- 3 Out of all children, how many take up places in private nurseries?

- 4 What types of nurseries do fathers and mothers prefer?

Parents face a sharp increase in nursery fees from January as new government-subsidised children's centres drive up staff costs for private daycare.

Children's centres are offering up to £7,000 a year more for managers and nursery nurses to staff their premises, forcing private providers to match the pay offer or risk losing their best employees. Fees are private nurseries' only source of income so they have no option but to pass on the 12–15 per cent salary increases to parents. Salaries account for 80 per cent of running costs and fees are an average of £140 a week.

The annual pay survey for *Nursery World* magazine found that the salary of a nursery manager in the private sector had risen by an average of 12.3 per cent this year, to £21,547, as owners attempted to hang on to their staff. Despite the increase, children's centres are offering about £27,000 for a manager. Senior nursery nurses have had an average 17 per cent increase this year, with salaries of about £14,000, but could still earn up to £17,000 if they switched to a children's centre.

'Children's centres are heavily subsidised and are offering much bigger salaries than anywhere else in the sector,' said Claire Schofield, head of membership at the National Day Nurseries Association. 'Shouldn't the subsidy be available across the board?' Private providers currently account for 78 per cent of all nursery places. The Government plans to open 3,500 children's centres by 2010 — five in each parliamentary constituency. Each centre will offer daycare and other services for children and parents. The Department for Education and Skills estimates that the cost of each place will be about £250 a week, well above private sector fees. But a generous subsidy administered by local authorities brings the fees down to about £137 a week.

Liz Roberts, editor of *Nursery World*, predicted that many nurseries would face financial difficulties as a result. 'Nurseries will put up their fees a bit, but there is a limit to what parents can afford so it is becoming terribly difficult. Some nursery owners barely pay themselves as it is, so may just decide to close,' she said.

A Department for Education and Skills study found that only 25 per cent of private nurseries made a profit, with 31 per cent breaking even. While children's centres will offer parents value for money at first, there is no guarantee that the Government will continue to pay the subsidy. If the funding is reduced, parents will have no choice but to pay more for their nursery places, especially if local private nurseries have been driven out of business.

Parents have also made clear during public consultations that they like private and voluntary sector nurseries, which are often smaller and more intimate than local authority providers, and the Government has said that it is committed to diversity of supply.