

28/04/20

Dear Parents & Carers,

Bertram Nursery Group - Business Update

I hope this letter once again reaches you, your loved ones, and families/friends in good health. For many of our teams it will be almost a month since our nursery operations were forced to close and, as a result, they were placed on 'Furlough'. We still have several employees who continued to work, and we cannot thank them enough for their continued commitment to children and families of front line and key workers.

April Furlough Pay

Given the publicity and recent social media activity surrounding furlough policy change, specifically affecting our sector, I thought it would be helpful to share a little more detail.

Almost a month ago the government released their policy on Furlough and the new 'Coronavirus Job Retention Scheme' (CJRS), which was put in place to ensure that where a business was closed due to Covid-19, employers could place employees on Furlough (as explained above) rather than making people redundant. The scheme then allowed the employer to pay and recover up to 80% of an employee's normal salary, with each employee claim being capped at a maximum of £2,500. The employer then had an option to 'top-up' these salaries, at its own cost, and Bertram are very pleased to be amongst the list of employers who took this decision to 'top-up' in the interest of its employees.

Equally, for those who remain working in our open sites, we created a daily 'recognition' payment as a gesture of our thanks and appreciation.

What changed?

On 17th April, the government sadly made a U-turn on their previous commitment around furlough recovery. Rather than providers being able to reclaim 80% of their payroll, the rules were retrospectively changed so that where any provider was in receipt of local authority (LA) funding, they must reduce their reclaim to account for this. Either that or we bring back from furlough the correct proportion of staff we receive funding for and operate nurseries, potentially at a significant loss due to minimal demand.

For Bertram, the change means we will NOT be able to reclaim the full 80% of our payroll and the amount we reclaim, could be as low as just 60%. Ultimately this means Bertram will instead see our April payroll recovery from the scheme fall short by a number somewhere in the hundreds of thousands of pounds.

So, what does this mean for May?

We have agreed that for the month of May, regardless of the change in policy, Bertram Nursery Group will continue to 'top up' pay for those on furlough, not just from the estimated 60% to 80% level, but to 90%, which matches our April commitment.

Bertram will also continue to recognise those who continue to work through covid-19 in May, the same as we did in April, with a daily recognition payment for every day they work through the lock down and closures.

Whilst there is no news or guidance on 'when' our sector might be likely to re-open, we expect this will need to be done in phases whilst respecting practice around social distancing. Bertram continue to 'do the right thing' by not charging parents whilst closed, however, we will need to give serious consideration to how we approach payroll top-up furlough in future months, the longer we are closed.

We are extremely grateful to our parents who, despite closure, have continued to make some level of voluntary payment in fees during closure. Please be assured this money supports us topping up our teams and avoiding redundancies where we are unable to recover through the furlough scheme, as we first thought.

In other news!

Our Senior Leadership Team remain working full time on several key projects. We would like to share a few updates including: -

- A full review and re-write or update of many of our policies & procedures
- Writing some incredible training
- Pay and benefits review
- Continued support of teams in open sites
- Full and partial redecoration of closed sites
- Menu upgrades
- Implementation of new 'Family Management' software across the estate
- IT hardware upgrade across the estate

Ultimately what we want to share is that whilst much of the world is in lockdown and businesses closed, whilst ensuring we abide by social distancing and avoiding unnecessary travel, we have been using this window of opportunity in a period of downtime as effectively as we can. We want to be as ready as we can to come out of lock down in the best shape possible for our employees, children and families.

On a final note, we would like to say how incredibly proud we are of each and everyone one of our team who, despite working in incredibly uncertain and worrying times, continue to put children first and provide the best care we can. This sits firmly within our business values of:-

- Children First Every Time
- Deliver every day with Passion
- Be a Positive Role Model
- Teamwork

Once again, thank you and please let us continue to keep each other and our families safe and well.

Kind regards



Cary Rankin
CEO
Bertram Nursery Group