

Subject:	Families, Children and Learning Fees and Charges 2017/18		
Date of Meeting:	9 January 2017		
Report of:	Executive Director Families, Children and Learning		
Contact Officer:	Name:	Louise Hoten	Tel: 29-3440
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Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT:**

- 1.1 The purpose of the report is to review the Families, Children and Learning Services fees and charges in accordance with the corporate policy.

2. RECOMMENDATIONS:

- 2.1 That the position on fees charged for nurseries as detailed in section 3.3 be agreed.
- 2.2 That the position on fees charges for Childcare Workforce Development as detailed in section 3.4 be agreed.
- 2.3 That the position on fees and charges for the Music and Arts Service as detailed in section 3.5 be agreed.
- 2.4 That the position on the charges for school meals as detailed in section 3.6 be noted.

Note: If the above recommendations are not agreed, or if the committee wishes to amend the recommendations, then the item will need to be referred to the Policy, Resources & Growth Committee meeting on 9 February 2017 to be considered as part of the overall budget. This is because the budget is being developed on the assumption that the fees and charges are agreed as recommended and any failure to agree, or a proposal to agree different fees and charges, will have an impact on the overall budget, which means it needs to be dealt with by the Policy, Resources & Growth Committee as per the requirements of the constitution. This will not stop the committee from making recommendations to Policy, Resources & Growth Committee.

3. CONTEXT/ BACKGROUND INFORMATION:

3.1 As part of the budget setting process Heads of Service are required to agree any changes to fees and charges through relevant Committee Meetings. The management of fees and charges is fundamental both to the financial performance of the City Council and also the achievement of the Council's corporate priorities, in particular making better use of public money.

The recommendations agreed by this Committee will be subject to whatever is agreed regarding fees and charges in the budget report presented to Policy Resources & Growth Committee on 9 February 2017 and then by Budget Council on 23 February 2017.

3.2 The recommendations above reflect the areas that need approval and those that are for noting. The Council's Corporate Fees & Charges Policy requires that all fees and charges are reviewed at least annually and should normally be benchmarked and increased by either: the standard rate of inflation (2%), statutory increases, or actual increases in the costs of providing the service as applicable.

3.3 Nurseries

3.3.1 There are six Council run nurseries in the City: Bright Start, Cherry Tree, Acorn, Roundabout, Jumpstart and Sun Valley and Pavilion Pre-school. All are subsidised by the Council.

3.3.2 The existing fee policy for the nurseries is:

- A daily rate of £4.82 an hour for all children, which includes breakfast and snacks.
- A rate of £5.10 an hour for sessions of half a day (5 hours) or less.
- An additional charge of £2.04 per meal for lunch or tea where this is supplied by the nursery

3.3.3 The rate for Pavilion Pre School is lower at £4.70 as the pre-school is based in a sports pavilion and shares space with a football team. It is only open in the morning in term time so most children just use their early years free entitlement funding.

Benchmarking data for childcare costs in Brighton and Hove for 2016 is:

Age of Child	Average cost per hour for a 10 hour day
0 to 23 months	£5.14
2 years	£4.94
3 to 5 years	£4.82
0 to 5 years	£4.94

The lowest cost per day for a child under 5 was £3.80 and the highest £5.98. For a child aged under two the highest cost in the city is £66.50 for a nine hour day, or £7.38 an hour.

3.3.4. For the nurseries the proposed fee increase is 2% to reflect inflation for 3 and 4 year olds and 7% for children aged two and under to reflect the higher cost of

care for this age group. The staffing ratio for 3 and 4 year olds is one member of staff for eight children. It is 1:4 and 1:3 for two year olds and children under two.

- A daily rate of £4.92 an hour for children aged 3 and 4, which includes breakfast and snacks
- A daily rate of £5.15 an hour for children aged two and under.
- A rate of £5.20 an hour for sessions of half a day (5 hours) or less.
- An additional charge of £2.08 per meal for lunch or tea where this is supplied by the nursery

3.3.5 For Pavilion playgroup the proposed increase is 2% for 3 and 4 year olds (£4.80 an hour) and 7% for two year olds (£5.00 an hour).

3.3.6 All 3 and 4 year olds in the city are already entitled to 15 hours a week, 38 weeks a year of free childcare funded from the Dedicated Schools Grant. Two year olds from low income families are also eligible for free part time childcare. Around 30% of two year olds in the city are eligible and take up is high at over 85%. From September 2017, 3 and 4 year olds with working parents will be entitled to 30 hours of free childcare, 38 weeks a year. The Government is introducing a tax-free childcare scheme from April 2017 worth up to £2,000 per child each year and £4,000 for disabled children which will help parents with the cost of childcare.

3.4 Childcare Workforce Development

3.4.1 Charges for early years and childcare providers to access the childcare training programme in 2016/17 are £100 per person for paediatric first aid training, and £60 for full day or £40 for a half day for other courses. For childcare providers outside of the city, the current charges are £100 and £60 per person for full and half day courses. Safeguarding and equalities training are currently offered free of charge to childcare providers in the city. There is a charge of £70 for childcare providers to advertise in the weekly job vacancy list which is advertised on the Council's website and via the Early Years and Childcare Facebook and Twitter feeds. This service is also available to childcare providers outside of Brighton & Hove at a charge of £120 per job.

3.4.2 The proposed fees in 2017/18 are:

- £120 for paediatric first aid training £20 increase
- £60 for full day training (£100 for outside of B&H) no increase
- £40 for half day training (£70 for outside of B&H) no increase
- £70 for job vacancy advert (£120 outside of B &H) no increase

3.4.3 Benchmarking Information 2016/17:

Local Authority	Half Day Training	Full Day Training	Job Vacancy Service
Surrey CC	£15	£40 (max)	No charge
Hampshire CC	n/a	£70	No charge
Southampton	£55	£75	No charge

Income has been maximised and the Workforce Development Team undertake thorough marketing using paper and online methods both locally and wider to ensure maximum take up. The income helps to sustain a programme that offers training opportunities for the sector not readily accessible elsewhere locally.

3.5 Music & Arts

3.5.1 The Music & Arts Service charges a range of fees and charges depending on the service provided. These fees are set in order to balance the budget, taking into account inflation, savings targets and market conditions. Equal access to music services is encouraged by offering subsidies of 80% to families receiving Income Support and Child Tax Credit (with entitlement to free school meals) and 50% to families in receipt of Working Tax Credit (with entitlement to the maximum available)

3.5.2 The service is not aware what, if any, funding will be available in 2017-18 through the Local Authority. We propose an increase of no more than 1% across the range of provision as an increase in fees could impact on access to learning for pupils with parents/carers on low income and other children and young people in challenging circumstances as well as overall pupil numbers. The Local Authority presently receives the Arts Council Music Hub Grant (£315k) but no information has been received for 2017/18. Any other costs would be met through internal efficiencies and fundraising.

3.5.3 Benchmarking data for group lessons for other authorities where Brighton & Hove charge £93.50 is East Sussex £96, West Sussex £88, Surrey £72 and Kent £66.

3.5.4 A schedule of the current fees and charges are attached for information at Appendix 1

3.6 School Meals

3.6.1 The charge for school meals is inflated annually in accordance with the inflation factor in the school meals contract as detailed below. The current contract started on 1 August 2011 for a period of 4 years with an opportunity to extend up to 24 months. The contract is now in the 24 month extension period. Schools may choose to buy into the contract or make their own school meals arrangements. All secondary schools and secondary academies within the city and the Bilingual Primary School provide meals, including free meals to entitled pupils, through their own individually negotiated contracts.

3.6.2 The current charge for school meals in primary schools has remained at the 2010 price of £2.10 for children and £2.50 or £2.08 excluding VAT for adults. The School Food Plan highlights the importance of encouraging adults to eat with children. In line with the contractual arrangements the price was not increased from 1 August 2016. Based on the April 2016 indices, there was no requirement to change the price. Tenders will be returned in early March 2017

for evaluation this will give an indication of the selling price from September 2017.

The Meal prices will vary in line with the following two indices:

(a) Food element

Annual movement in the Retail Price Index (all items) as set out in the Consumer Price Indices published by the Office for National Statistics (Ref Table 40 Food CHBA)

(b) Labour element

The Management fee price will vary in line with the annual movement in the Retail Price Index (all items) as set in the Consumer Price Indices published by the Office for National Statistics (Ref Table 40 All Items RPI CHAW).

As this is built into the contract terms and conditions, approval by the Children Young People & Skills Committee would only be sought if an increase exceeding inflation was being proposed. We are currently working on a new specification for a contract to be provided from 1 August 2017 and intend to retain a price review mechanism and work towards the wage rate, as set by the Living Wage Foundation.

3.6.3 Under the current contractual arrangement there is a low fixed cost in the form of a management fee and a higher variable cost for each meal served, whereas the previous contract had a very high fixed cost and a low variable cost per meal. Under the previous contract the Council retained a much greater amount of the risk. The current arrangement transfers more risk to the contractor and means that the contractor is more inclined to increase sales as we have seen with this contract.

This budget area is now operated in a way that the need to fulfil a shortfall would be most unlikely and this is being demonstrated through the current contract performance and growth in take up of school meals and the introduction of central government grant funded Universal Infant Free School Meals (UIFSM). There are strong incentives for the contractor to grow the service and these are supported by successful partnership working with the City Council, which was previously recognised at a national award

4. COMMUNITY ENGAGEMENT AND CONSULTATION

4.1 Budget holders with responsibility for specific fees and charges were consulted in the preparation of this report.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

5.1 The total Families, Children and Learning fees and charges budget for 2016/17 is approximately £3.5m excluding schools.

5.1.1 As a start point for the budget process, income budgets are increased by inflation, currently 2.0%, to produce a target income budget. Budget holders then review their fees and charges with a view to ensuring that the target budget is achieved and where possible exceeded.

Legal Implications:

- 5.2 Families, Children and Learning Services are entitled to review fees and charges as set out in the report, at the time fees and charges are set they must be demonstrably fair and reasonable in all the circumstances.

Lawyer Consulted: Serena Kynaston

Date: 13/12/2016

Equalities Implications:

- 5.3 Equal access to childcare is encouraged by ensuring that the nurseries all offer the universal free early years entitlement of 15 hours a week for all 3 and 4 year olds and eligible two year olds. The entitlement for 3 and 4 year olds will increase to 30 hours from September 2017 for working parents.
- 5.3.1 Two year olds from low income working families are eligible for free childcare in addition to two year olds from families on out of work benefits. Parents with low incomes can claim the childcare element of the Working Tax Credit which pays for childcare costs of up to a maximum of 70% of £175 a week for one child or £300 for two or more.
- 5.3.2 Equal access to music services is encouraged by offering subsidies of 80% to families receiving Income Support and Child Tax Credit (with entitlement to free school meals) and 50% to families in receipt of Working Tax Credit (with entitlement to the maximum available).
- 5.3.3 Equal access to school meals is provided by all primary and special schools through participating in a citywide contract that is the same meal at the same price available to all pupils. The contract specifies that provision should be made for modified meals required on the grounds of cultural, religious or medical requirements.

Sustainability Implications:

- 5.4 There are no direct sustainability issues arising from this report.

Crime & Disorder Implications:

- 5.5 There are no direct crime and disorder issues arising from this report.

Risk and Opportunity Management Implications:

- 5.6 The services included in this report rely on being able to achieve their income targets in order to maintain the level of service provided.

Public Health Implications:

- 5.7 From a public health perspective, if proposed increases were above inflation level for some sports and leisure facilities in the city, particularly in areas of health inequalities, disadvantaged groups may be less likely to be able to

access affordable physical activity, sport and leisure. Any likely adverse impact on the health and well-being of these groups should be considered.

- 5.7.1 The opportunity to receive a free school meal or meal for no charge (UIFSM) is extremely important to a substantial number of children from low income families, for whom a school lunch may be the only balanced meal they will eat in a day. Research shows that when children eat better, they do better. Whether families are paying for school meals or are entitled to them for free, children are more likely to concentrate in the classroom in the afternoon after eating healthy school lunches in a pleasant environment. This also improves their health and their learning about making better food choices. Research also shows that children eligible for free school meals are less likely to: do well at school, continue into further education, or secure higher paid jobs. Therefore, ensuring that these children eat and gain the benefits of the free school meals they are entitled to, really will make a difference to their ability to learn and succeed.

Corporate / Citywide Implications:

- 5.8 The music services included in this report are available across the city and concessionary prices are offered where possible to encourage those most disadvantaged to make use of these services.

The council's financial position impacts on levels of Council tax and service levels which are considered as part of the wider budget setting process.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 Not applicable

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 To agree and/or note the Families, Children and Learning Services Fees and Charges for 2017/18.

SUPPORTING DOCUMENTATION

Appendices:

1. Music and Arts Fees and Charges

Documents in Members' Rooms

None

Background Documents

1. Fees and Charges Analysis – 2016/17

