

Brighton & Hove City Council

Children, Families &
Schools Committee

Agenda Item 49

Subject: Families, Children and Learning Fees and Charges 2024/25

Date of meeting: 22 January 2024

Report of: Executive Director Families, Children & Learning

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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 implementation of new fees & charges rates is as soon as practicably possible.
- 2.2 That the position on fees charged for nurseries as detailed in section 3.3 be agreed.
- 2.3 That the position on fees and charges for Childcare Workforce Development as detailed in section 3.4 be agreed.
- 2.4 That the position on fees and charges for the Early Years Quality Improvement Programme as detailed in section 3.4.6 be agreed.
- 2.5 That the position on the charges for school meals as detailed in section 3.5 be noted.
- 2.6 That the position on fees and charges for Adult Education Courses as detailed in section 3.6 be agreed.
- 2.7 That the position on fees and charges for Home to School Transport as detailed in 3.7 be agreed.

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 Strategy Finance & City Regeneration Committee meeting on 8th February 2024 to be considered as part of the overall budget proposals. 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 will normally need to be dealt with by Strategy Finance & City Regeneration Committee as per the requirements of the constitution. This does not prohibit the service committee from making alternative recommendations to Strategy, Finance & City Regeneration Committee.

3. CONTEXT/ BACKGROUND INFORMATION:

3.1 As part of the budget setting process Executive Directors are required to agree 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 the achievement of the Council's corporate priorities. The council's Corporate Fees & Charges Policy requires that all fees and charges are reviewed at least annually and should normally be increased in line with the cost of providing the service to maintain income in proportion to the net cost of service. The Corporate Fees & Charges Policy also stipulates that increases above or below an agreed 'corporate rate of inflation' should be approved by committee. However, it should be noted that the corporate rate of inflation (3.5% for 2024/25) is not a default rate of increase and is a financial planning assumption only, set early in the financial year, and should not therefore determine actual increases which should normally reflect current and projected inflationary cost pressures to ensure that income is maintained in proportion to expenditure.

3.2 The committee are advised if the proposed fees & charges recommended in this report are not agreed, or if the committee wishes to amend the recommendations, then the item will normally need to be referred to the Strategy Finance & City Regeneration Committee meeting on 8 February 2024 to be considered as part of the overall 2024/25 budget proposals. This is because the 2024/25 final budget proposals will have been developed on the assumption that fees and charges are agreed as recommended and therefore any rejection or amendment of the proposed fees and charges, may have an impact on the overall budget proposals, which means it would need to be dealt with by Strategy, Finance & City Regeneration Committee as per the requirements of the constitution. However, this does not fetter the committee's ability to make recommendations to Strategy, Finance & City Regeneration Committee.

It is not always possible when amending fees and charges to increase by the exact inflation figure due to rounding. As a result, some fees and charges are rounded for ease of payment and/or administration.

3.3 Nurseries

3.3.1 Part of the council's early year's strategic action plan is to provide high quality childcare in the most disadvantaged areas to ensure local children can access provision. Council run nurseries are:

- Acorn Nursery – North Portslade Children's Centre
- Bright Start Nursery – Old Slipper Baths (North Laines)
- Cherry Tree Nursery – Hollingdean Children's Centre
- Jump Start – Moulsecomb Children's Centre
- Roundabout Nursery – Roundabout Children's Centre (Whitehawk)

3.3.2 The nurseries provide free part-time early education places for low-income families of two-year olds and for three & four year olds, and childcare that parents pay for. All the nurseries are based in buildings owned by the Council.

3.3.3 The Council subsidy for the nurseries in 2023/24 was £1.215m, which includes £150k of pressure funding, with each of the council nurseries receiving a subsidy of at least £200k.

Funding for free childcare places for 2,3 and 4 year olds

3.3.4 Early years free entitlement is being extended from April 2024. Disadvantaged two-year olds will continue to be entitled to 570 hours a year free childcare from the term after their second birthday. In addition to this from April 2024 two-year olds of working parents will be entitled to 570 hours a year, and from September 2024 children from the age of nine months of working parents will also be entitled to 570 hours a year. A key priority is to ensure there are sufficient high-quality places for these children. The government has published indicative funding rates which are £9.22 per hour for two-year olds (compared to a national average of £8.17) and £12.52 per hour for nine month olds (with the national average being £11.06).

3.3.5 All three- and four-year-olds are entitled to 570 hours (15 hours a week, term time only) of free childcare. Some three- and four-year-olds whose parents are working are entitled to 1,140 hours per year (this is the universal entitlement of 570 hours, plus an additional entitlement of 570 hours). Funding is allocated to local authorities by government on a national formula. The original gross rate for Brighton & Hove in 2023/24 is £5.02 per hour which is currently below the national average of £5.40. The current average rate in the Southeast is £5.36 These figures refer to the total rate paid to the local authority and include inclusion funding and central costs. The council is passing on at least 95% of its funding allocation to childcare providers, with an average hourly rate of £4.58. This is less than the average fee that parents pay for childcare. For the period September 2023 to March 2024 the government is providing councils with an early year's supplementary grant that will result in increased payments to early years providers for free entitlement provision over this time. The gross rate for three and four years will increase from £5.02 per hour to £5.53 per hour from September 2023.

3.3.6 Final national free entitlement funding rates for 2024/25 are likely to be published in December 2023.

Nursery Fees

3.3.7 The existing fee policy for the Council nurseries is:

- £6.00 for all ages of children
- £2.65 for lunches and teas. Breakfast and snacks are included in the hourly rate. Parents can choose to bring a packed lunch.

3.3.8 The proposal is to increase fees by 3.5%. This is in line with the expected corporate rate of inflation of 3.5%. The proposals are to:

- Increase the standard hourly rate of £6.00 for all ages of children to £6.21. This is a 21p per hour increase.
- Increase the cost of meals by 9p to £2.74 per meal for lunch or tea by the inflation rate of 3.5%.

3.3.9 There is a range of help from the Government for parents with childcare costs in addition to the free early year's entitlement of 15 or 30 hours. Parents on Universal Credit can claim up to 85% of childcare costs and parents on higher incomes can apply for Tax Free Childcare which will pay 20% of their childcare costs (see paragraph 5.3.1).

3.4 Childcare Workforce Development

3.4.1 It is proposed that charges for early years and childcare providers for childcare training should increase by 3.5%, rounded to the nearest pound:

Training	Brighton & Hove 2023/24	Providers outside Brighton & Hove 2023/24	Brighton & Hove 2024/25	Providers outside Brighton & Hove 2024/25
Full day face to face	£68	£108	£70	£112
Half day face to face	£45	£76	£47	£79
Full day online (live)	£32	£64	£50	£94
Half day online (live)	£17	£32	£30	£50
Safeguarding face to face	£22	£43	£23	£45
Safeguarding e-learning	£20	£38	£21	£39
E-learning	£11	£22	£11	£23
Job advertisement	£74	£130	£77	£135

3.4.2 The charges for live online courses have been increased more significantly because the cost of providing these is only slightly lower than the cost of providing

face to face courses. These are different from e-learning which is not a live offer and can be accessed at any time.

- 3.4.3 The increase in charges is being kept to a minimum, because of the limited ability of early years providers to pay for training. We want childcare providers to continue to access our high-quality training programme in order to maintain the quality of early years provision in the city.
- 3.4.4. Providers will receive an increase in their funding for two year olds and for three and four year olds in April 2024. The amount is not yet known. However, they will also have increased costs because of the uplift in the national living wage from April 2024, particularly for younger staff members. Much of the early years workforce is on minimum wage and many providers employ younger staff and apprentices for whom the NWL percentage increases are significant.
- 3.4.5 Benchmarking of training costs with other local authorities is difficult because pricing is not easily available and is not consistent. In addition, some local authorities include training with a subscription for other services.

Early Years Quality Improvement

- 3.4.6 There is a charge of £150 per module for early years providers completing the Quilt quality improvement programme. This charge is waived for providers with a large number of disadvantaged children to support closing the gap between these children and their peers.

3.5 School Meals

- 3.5.1 The cost of school meals to the local authority (schools) is inflated annually in accordance with the price review mechanism detailed in the school meals contract as outlined below. The current contract started on 1 August 2018 for a period of 4 years with an opportunity to extend up to 24 months. As a fully delegated service, 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, City Academy Whitehawk and Moulsecoomb Primary and West Blatchington from 1st January 2024 provide meals, including free meals to entitled pupils, through their own individually negotiated contracts.
- 3.5.2 The charge for school meals in primary schools increased by 35p per meal to £2.60 from 30th October 2023. The price was last increased in January 2023 from £2.20 to £2.25. The contract requires the payment of the Living Wage (Living Wage Foundation) to employees. Any decision to increase the selling price to parents will be made by July 2024 for implementation from 1st September 2024 and will be based on the new contract to be awarded in April/May 2024. It is likely that the indices used for future price reviews will be those detailed below:

The meal cost will be varied in line with the following two indices:

- a) Food element

Annual movement in the Retail Price Index (all items) as published by the Office for National Statistics. (Food CHBA)

b) Labour element

The labour element will increase based on the percentage (%) annual movement as agreed by the Living Wage Commission for the UK Living Wage (outside of London).

c) Management Fee

The Management fee price will vary in line with the annual movement in the Consumer Price Index (all items) published by the Office for National Statistics.

As this is built into the contract terms and conditions, approval by the Children, Families & Schools Committee would only be sought if an increase exceeding the direct inflationary impact detailed above was being proposed.

3.5.3 Under the current contractual arrangement there continues to be a low fixed cost in the form of a management fee and a higher variable cost for each meal served, this ensures that the contractor should be more inclined to increase sales as we have seen with the previous 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 the continued support 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 Council. The full increased cost of free school meals has not been passed onto schools for the financial year 2023/2024, this will be mitigated through the use of the free school meals supplementary grant.

3.5.4 The decision for the price to be increased for all meals served from 30 October 2023 instead of September 2023 was to try to maintain numbers of children choosing to have a school lunch during the period of economic uncertainty and the cost of living crisis pressures to support families. The majority of income from school meals is now funded from Free School Meals charges made to schools for children where guardians are in receipt of a qualifying benefit and grant funding provided to cover the provision of UIFSM. As school budgets experience increased pressure it is important that any increased costs of meals are recouped to mitigate any further negative impact.

The increase in contract meal prices from August 2023 was much higher than in previous years. Schools were advised of the impact on charges for meals provided for FSM and UIFSM and the increase from £2.25 to £2.60 for cash paying customers from October 2023.

3.6 Adult Education Courses

Pound Plus is a term used by the Education and Skills Funding Agency to describe additional income or added value generated by providers of adult education over and above the core Adult Education Budget. It is important because generating additional income allows us to maximise the value of public investment and is used to increase the service, we can provide to residents.

All courses are funded by the Education and Skills Funding Agency. In order to receive this money, we must ensure that public funding is focused on people who need it most, those least likely to participate in learning. We therefore collect fees from people who can afford to pay, unless otherwise prescribed by the ESFA, and use these to extend provision to those who cannot. In addition, we will look to increase the value of funding received for Community Learning using the principles of Pound Plus by working closely with partners to access free or reduced cost resources.

As part of our 'Pound Plus' commitment, the Adult Education Hub will fully waive fees for evidenced unemployed people/learners in receipt of one of the following benefits or on a low income:

- Job Seekers Allowance
- Employment Support Allowance
- Income Support
- Earning Less than £20,319

Other learners may also be exempt from fees that meet the ESFA funding guidance. These may include full time carers of adults, refugees and asylum seekers.

For those that can afford to pay and do not meet any of the above the rate of £5 per hour will be charged for the 2023/2024 academic year.

3.7 Home to School Transport

At the Children, Families and Schools Committee meeting in November 2023, it was agreed that for the academic year starting in September 2024, there would be a financial contribution of the same value as a CitySAVER ticket towards taxis and minibuses for pupils of sixth form age with special educational needs and disabilities. No contribution will be requested where families experience low income or in circumstances where the young person travels with a specialist professional (e.g. nurse or medically trained support staff) and/or large/essential medical equipment. No contribution will be expected from families who receive a personal travel budget.

At the time of writing the CitySAVER ticket is set at £547.00.

According to [National Guidance on Post 16 transport and travel support to education and training](#) there is no legal requirement for Local Authorities to provide free or subsidised travel support to young people of 'sixth form age' (16-19), including those with special educational needs and or disabilities.

The LA has a statutory duty in respect of 'adult learners' (aged 19 to 25 with an ECHP). Any transport arrangements provided under this duty must be free of charge if they are considered 'necessary' to facilitate 'education and training'. The overall intention of the adult transport duty is to ensure that 'those with the most severe disabilities with no other means of transportation can undertake further education and training after their 19th birthday to help them move towards more independent living.'

As outlined in the draft Post 16 Transport Policy Statement 2024-2025 that accompanied the committee report, an invoice will be sent, and payment will usually be made either annually or termly, but can be made differently, e.g. in monthly instalments, if preferred.

Payment will usually be made via Direct Debit except where another payment method has been agreed.

Transport will not usually be arranged until the first payment is made. Transport may be ceased if payments are not made on schedule - if this occurs the council will always first contact the parent/carer to try and avoid this action.

If family's qualification under the low-income criteria changes part way through the year families must let the Council know.

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 2023/24 is approximately £2.5m excluding schools.

The fees and charges recommended in this report have been reviewed in line with the Corporate Fees & Charges Policy and all relevant regulations and legislation. The anticipated recurring financial impacts of fee changes will be reflected within service revenue budgets. Increases to meet the corporate rate of inflation of +3.5% should normally be applied to all council income budgets as a minimum. However, this rate is set early in the year, as part of the Medium Term Financial Strategy, and may not match current inflation rates. Fees and Charges should therefore take into account current rates of inflation and be uplifted accordingly to ensure income is maintained as a proportion of the net cost of service wherever possible. Constitutionally, increases above or below the corporate rate of inflation must be approved by the relevant service committee or Strategy Finance & City Regeneration Committee and can result in additional contributions toward either the cost of services and/or overheads. This can also result in the achievement of a net budget saving to the council. Where this is the case, this will be reflected in proposals for the relevant service and will be incorporated within the revenue budget report to Strategy Finance & City Regeneration Committee and Budget Council in February 2024. Income from fees and charges is monitored as part of the Targeted Budget Monitoring (TBM) process.

Finance Officer Consulted: Louise Hoten

Date: 14/11/2023

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. This report sets out the analysis against which the recommendations have been made and the statutory obligations of the council in relation to the funding of the services set out in the report.

Lawyer Consulted: Serena Kynaston

Date: 04/12/2023

5.3 Equalities Implications:

5.3.1 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 & 4 year olds and eligible two year olds. The entitlement for 3 & 4 year olds with working parents is 30 hours (term time only).

5.3.2 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 on Universal Credit are entitled to claim 85% of childcare costs. Parents on higher incomes may apply for Tax Free Childcare. For every £8 a parent pays into their childcare account, the government will pay in an extra £2 up to a maximum of £2,000. Parents can then use this money to pay their childcare provider.

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.

Social Value and Procurement Implications

5.6 Social Value is about securing maximum impact on local priorities from all public investment. The city seeks to maximise social value by focusing particularly on strengthening communities through collaborative working across the public, private and community and voluntary sectors.

The School Meals Service provides significant funding in the order of £3.5m pa to the local and wider economy through its school meals contract. The contract requires employers delivering services on the council's behalf to pay the Living Wage Foundation Living Wage.

Public Health Implications:

5.7 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.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 Alternative options considered for the nursery fee increases included limiting the number of free hours that children can use each day and further increasing the hourly charge for the hours that parents pay for in addition to the free hours.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 To agree and/or note the Families, Children and Learning Services Fees and Charges for 2024/25.

SUPPORTING DOCUMENTATION

Appendices:

None

Documents in Members' Rooms

None

Background Documents

1. Fees and Charges Analysis – 2023/24