

Subject:	Children's Services Fees and Charges 2013/14		
Date of Meeting:	14th January 2013		
Report of:	Interim Director of Children's Services		
Contact Officer:	Name:	Paul Brinkhurst	Tel: 29-3439
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Ward(s) affected:	All		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

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

2. RECOMMENDATIONS:

- 2.1 That the position on fees charges for nurseries as detailed in section 3.3 be agreed.
- 2.2 That the position on fees and charges for the Music and Arts Service as detailed in section 3.4 and Appendix 1 be noted.
- 2.3 That the position on the charges for school meals as detailed in section 3.5 be noted.
- 2.4 That the position on fees charged by the Portslade Aldridge Community Academy – Adult Learning in section 3.6 be noted.
- 2.5 That the position on fees charged by the Portslade Sports Centre in section 3.7 and Appendix 2 be noted.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 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.
- 3.2 There are several distinct areas of fees and charges income for Children's Services, some of which are approved by other bodies such as the Music Trust. The recommendations above reflect the areas that need approval and those that are for noting.

3.3 Nurseries

- 3.3.1 There are five Council run nurseries in the City: Bright Start, Cherry Tree, Acorn, Roundabout and Jumpstart. All the nurseries are subsidised by the Council. The budget proposals for 2013/14 include a saving of £75,000 from the overall subsidy (11%). This will be achieved by a combination of reviewing the staffing structures to ensure that these are as efficient as possible, increasing the occupancy of the nurseries and increasing fees. 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. A significant change for 2013/14 is an increase in the number of 2 year olds who will also qualify for free childcare. From September 2013 the Council will have a statutory duty to secure free childcare for the 20% most disadvantaged two year olds (around 600 children). The eligibility for free places is based on benefits and is similar to that for Free School Meals. The Council nurseries already provide free places for two year olds and this is planned to increase over the year, boosting occupancy.
- 3.3.2 The existing fee policy is to charge the same amount for children of all ages. This is £46.30 a day for nurseries which provide food and £43.30 for those without food provision. However the cost of providing childcare for children under 3 is considerably more than for 3 and 4 year olds. This is because the statutory staff ratio for 3 and 4 year olds is 1- 8 compared to 1 - 4 for 2 year olds and 1 - 3 for children under 2. The proposal for 2013/14 is to increase fees for 3 and 4 year olds by 2% (to £47.20 and £44.20 a day) but to apply a higher increase for younger children to reflect their higher cost. It is common practice in the private sector to apply a slightly higher rate for younger children but not the full cost. In proposing any increase we also need to consider the impact on parents' ability to pay and the risk of reducing the occupancy of the nurseries. There have also been significant increases in fees over the last two years. The proposal is therefore to limit the increase in fees for children under 3 to 4% to £48.20 a day with food and £45.00 without.
- 3.3.3 Equal access to nursery care is encouraged by ensuring that the nurseries all offer the universal free early year's entitlement of 15 hours a week for all 3 and 4 year olds. The nurseries also offer free part time places to increasing numbers of disadvantaged two year olds and free places for children under two with child protection plans. Parents with low incomes can claim the childcare element of the Working Tax Credit. This pays for childcare costs of up to a maximum of 70% of £175 a week for one child or £300 for two or more.

3.4 Music & Arts

- 3.4.1 The Music 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. The Music Trust is consulted on suggested levels of fees, prior to final decisions by Directors. Equal access to music services is encouraged by offering subsidies of 50% to families receiving Child Tax Credit and 80% to families on Income Support.

3.4.2 The budget strategy for 2013/14 proposes that the service loses £53k of its Council funding. As a result it is anticipated that the average fee would increase by 4.5%, alongside amending the present offer and developing further charging to schools. The increase in fees may have an impact on numbers learning and access to learning for pupils with parents/carers on low income and other CYP in challenging circumstances.

Instrumental tuition fees will rise but will need to be submitted to the Music Trust and to Directors for approval in March 2013. The Local Authority also receive the Arts Council Music Hub Grant which is due to reduce by £69k which will require the Trust to decide whether to further increase fees or reduce areas of expenditure.

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

3.5 School Meals

3.5.1 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 1st August 2011 for a period of 4 years with an opportunity to extend up to 24 months. Schools may choose to buy into the contract or make their own school meals arrangements. All secondary schools and academies within the city provide meals, including free meals to entitled pupils, through their own individually negotiated contracts.

3.5.2 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. In line with the contractual arrangements this price will be reviewed on 1st August 2013. Any change to price will be based on the April 2013 indices and agreed prior to the end of the academic year for communication to schools and parents. Selling prices would increase at the start of a new academic year.

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 24 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 24 All Items RPI CHAW).

As this is built into the contract terms and conditions, approval by the Children and Young People Committee would only be sought if an increase exceeding inflation was being proposed.

3.6 Portslade Aldridge Community Academy – Adult Learning

3.6.1 Portslade Adult Learning at PACA review their fees and charges in respect of Adult Learning Courses each year with a view to balancing the budget. Government determines the fees for FE courses (i.e. accredited courses) while fees on non-accredited provision are set by Adult Learning. A decision was agreed 2 years ago to have 3 levels of payment:

- Lifelong Learning fees – no funding subsidy from government; fees meet marginal costs (tutor + materials) plus a contribution to central costs where possible.
- Getting Started fees – SFA Community Learning funding supports the fees which are therefore relatively low.
- Learning Community courses – SFA Community Learning funding supports these courses which are offered free to the learner. New learners are targeted who are likely to have one or more measures of disadvantage e.g. lone parent, unemployment, etc. These courses are focussed on the BN41 Portslade area.

3.6.2 Concessions on non-accredited courses are offered to those on income based benefits, over 60s and those living in BN41 postcode area. No fee is payable by students aged 16-18 taking part in many vocational courses.

Since these principles were developed, fee rises are imposed when required in line with inflation.

3.7 Portslade Sports Centre

3.7.1 Portslade Sports Centre review their fees and charges annually with regard to target income budgets, inflation and competitors' prices. They are approved by the Principal of the Academy, usually in July for implementation in September.

3.7.2 At Portslade Sports Centre day membership fees (80p) are waived for the unemployed or those on Income Support. Concessions are also offered for Senior Citizens and in some cases for the over 50's.

3.7.3 A schedule of the current fees and charges is attached at Appendix 2.

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 Children's Services fees and charges budget for 2012/13 is approximately £5m.

5.1.1 As a start point for the budget process, income budgets are increased by inflation, currently 2%, 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.

5.1.2 The Music Service has a target income budget of £727,000 which it will aim to achieve when reviewing the fees and charges for approval by the Music Trust in due course. If savings of £53,000 are made and with the grant reduction of £69,000 the revised

income target will be £851,000. The Trust will need to decide to increase fees to this level or reduce areas of expenditure.

- 5.1.3 School Meals fees and charges are increased by the same inflation factor as contained in the school meals contract. Income levels fluctuate according to demand but are constantly monitored. Any shortfall in income and or net overspends are chargeable to the Dedicated Schools Grant.

Finance Officer Consulted: Louise Hoten

Date: 27/11/12

Legal Implications:

- 5.2 Children's 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: Natasha Watson

Date: 27/11/12

Equalities Implications:

- 5.3 Equal access to nursery care 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. The nurseries also offer free part time places for disadvantaged two year olds and free places for children under two with child protection plans. Parents with low incomes can claim the childcare element of the Working Tax Credit. This pays for childcare costs of up to a maximum of 70% of £175 a week for one child or £300 for two or more.
- 5.3.1 Equal access to music services is encouraged by offering subsidies of 50% to families receiving Child Tax Credit and 80% to families on Income Support.

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 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're entitled to, really will make a difference to their ability to learn and succeed.

Corporate / Citywide Implications:

- 5.8 The 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.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 Not applicable

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 To agree and/or note the Children's Services Fees and Charges for 2013/14.

SUPPORTING DOCUMENTATION

Appendices:

1. Music and Arts Fees and Charges
2. Portslade Sports Centre Fees and Charges

Documents in Members' Rooms

None

Background Documents

1. Fees and Charges Analysis – 2012/13
2. Portslade Community College Fees Leaflet –Courses for Adults 2012-13