

## **North Somerset Council Decision**



**Decision Of: Executive Member for Children, Young People, Lifelong Learning and Skills**  
**With Advice From: Director of Children's Services**  
**Directorate: Children's Services**

**Decision No: CY143 (2023/24 scheme)**

**Subject: Fees and Charges Uplifts 2024/25 – Maintained Nurseries**

**Key Decision: No**

**Reason:** Not a material financial or service impact on communities in multiple wards.

**Background:** Fees and charges represent an important source of income, providing finance to assist in achieving the Council's broad objectives. Some of our fees and charges are effectively set by legislation, but many are locally determined. Income derived from charging will be used to offset the costs of providing the service being charged for, including support service costs. In setting an appropriate level of fees and charges, managers also take into account their client groups and corporate objectives. The proposed increases in fees and charges detailed in this report are necessary to meet increased costs and budgetary pressures to which the Council is subject and will ensure that the contribution made by fees and charges to the Council's overall income budget is maintained.

Directors are empowered to make decisions to increase fees and charges up to and including increases of 5% and Executive Members are empowered to make decision to increase fees and charges up to and including increase of 10%.

**Decision:**

To approve the 2024/25 fees and charges as set out in the finance section of this report.

**Reasons:**

**Nursery Fees (1 May 2024)**

At the Council's nurseries, there are a mix of government funded and private fee-paying parents. Charges currently only apply to all children claiming more than their funded hours and children under 2, who are currently fee paying. An increase of 5% to reflect cost inflation in the service.

The proposed increase in fees is below the government funding rates based on the forthcoming expansion of childcare offer. Please see table 1 below.

(Table 1) Please note funded hours are for 38 weeks per year. Providers can offer this as a stretched offer over 47.5 weeks a year.

<b>September 2023</b>	<p>Increase in 23/24 funding rates.</p> <p>Change in staff-to-child ratios for two year olds, moving from 1:4 to 1:5.</p> <p>Launch of start-up grants for new childminders.</p>
<b>April 2024</b>	15 hours funded childcare for working parents of two year olds.
<b>September 2024</b>	<p>New or expanded wraparound provision commences nationally.</p> <p>15 hours funded childcare for working parents of nine months to primary school age.</p>
<b>September 2025</b>	30 hours funded childcare for working parents of nine months to primary school age.
<b>September 2026</b>	All schools able to offer 8am-6pm wraparound.

### **Options Considered:**

The proposed fee increases described below are necessary to ensure that current levels of services are maintained. The changes are considered appropriate to reflect increasing costs and to ensure that fee paying hours are not subsidised by the Council.

### **Financial Implications:**

Fees to parents represent an additional source of income to nurseries and have been increased in line with the government funded hours to ensure that fee paying children are not subsidised by the Council.

Fees are now chargeable at the same rates across all three Council run nurseries in line with Government funding rates.

In 2023/24 nursery fees from parents are expected to be £506k, £214k less than budgeted and it is expected that this fee increase will help mitigate the current funding shortfall being experienced within the service.

## Proposed fees increases

Hourly rates	2023/24	2024/25	Increase	
	£	£	£	%
<u>Ashcombe Nursery</u>				
2 -3	6.40	6.72	0.32	5%
3+	6.00	6.30	0.30	5%
<u>Early Birds Nursery</u>				
0 – 2	6.90	7.25	0.35	5%
2 – 3+	6.70	7.05	0.35	5%
<u>Little Waves Nursery</u>				
0 – 2	7.50	7.88	0.38	5%
2 – 3	6.40	6.72	0.32	5%
3+	6.00	6.30	0.30	5%

## **Legal Powers and Implications:**

Various legal powers allow the Council to make a charge for certain services. Charging decisions are fettered by a complex series of statutes and regulations. Services fall into five main categories for charging purposes. These categories are set out in the table below.

Category	Examples
<b>No charge permitted</b>	Service assessment for community care
<b>Charges or charging scheme set by government – little or no local input</b>	Client contributions for social services residential provision
<b>Charging scheme set locally but must be in accordance with government prescribed principles</b>	Client contributions for social services non-residential provision
<b>Charge set locally, but essentially income cannot exceed the cost of providing a service</b>	Charge for a discretionary service with no other charging rules Charge for a service provided using the general power of competence

## **Climate Change and Environmental Implications:**

None identified.

## **Consultation:**

The uplifts contained here are in accordance with the Council's Government funding arrangements and have been applied so that they are consistent across all nurseries. Once approved notice a notice period of one-month will be applied to price increases.

## **Risk Management:**

Government funding is available to the most vulnerable and working parents. Charges are only applied for additional hours and provisions and to those not entitled to Government funding.

**Equality Implications:**

Have you undertaken an Equality Impact Assessment? No  
Over-arching EIA included within MTFP budget report. Because of the extent of the increases (none more than 5%), no material disproportionate impacts have been identified.

**Corporate Implications:**

No, other than those identified above.

**Appendices:**

None.

**Background Papers:**

**Signatories:**

**Decision Maker(s):**



Signed:

Title: Director of Children's Services

Date: 09.05.24

**With Advice From:**



Signed:

Title: Executive Member for Children, Young People, Lifelong Learning and Skills

Date: 09.05.24

**Footnote: Details of changes made and agreed by the decision taker since publication of the proposed (pre-signed) decision notice, if applicable:**