

## North Somerset Council Decision



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

**Decision No: CY157 (2025/26 scheme)**

**Subject: Fees and Charges Uplifts 2026/27 – 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 2026/27 fees and charges as set out in the finance section of this report, increasing the fees chargeable to parents by 5%.

### **Reasons:**

#### **Nursery Fees (1<sup>st</sup> April 2026)**

As part of our contract we need to give our parents five weeks' notice to any fee changes.

At the Local Authority 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.

The extension to the entitlement of funded hours has concluded and is now fully into effect as of 1 September 2025, where all eligible working parents are entitled to up to 30 hours funded

childcare for children aged 9 months-4 years old (a maximum of 1,140 hours in a funded year).

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

### 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 fully subsidised by the Council.

The fee increases will help to mitigate the increase in staffing costs arising e.g. employees national insurance, living wage and general staff salary increases. As well as the maintenance costs occurred at all three nursey sites that were necessary to meet health and safety requirements and legal compliance.

### 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.

In 2025/26 maintained nursery fees from parents are expected to be c. £350,000 below budget. This is partly mitigated by government funding receipts in excess of budget by c.£283,000. Giving a net forecast budget revenue deficit of c. £67,000.

### Proposed maintained nursery fees increase

Hourly rates for	2025/2026	2026/27	Increase	
	£	£	£	%
<u>Ashcombe Nursery</u>				
2 -3 years old	7.29	7.65	0.36	5%
3+ years old	6.80	7.15	0.35	5%
<u>Early Birds Nursery</u>				
0 – 2 years old	7.83	8.22	0.39	5%
2 – 3+ years old	7.61	8.00	0.39	5%
<u>Little Waves Nursery</u>				
2 – 3 years old	7.29	7.65	0.36	5%
3+ years old	6.80	7.15	0.35	5%

Based on the forecasted revenue in 25/26 the increase of 5% would provide an additional revenue of £19,000 in 26/27.

For comparison the rates payable to providers in relation to funded hours are as follows –

Hourly rates for	2025/2026	2026/27	Increase	
	£	£	£	%
9 – 23 months old	10.81	11.38	0.57	5.27%
2 years old	7.91	8.32	0.41	5.20%
3 & 4 years old	5.40	5.72	0.32	6%

### 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
No charge permitted	Service assessment for community care
Charges or charging scheme set by government – little or no local input	Client contributions for social services residential provision
Charging scheme set locally but must be in accordance with government prescribed principles	Client contributions for social services nonresidential provision
Charge set locally, but essentially income cannot exceed the cost of providing a service	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. 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 10%), 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:

Date:

**With Advice From:**

Signed:

Title:

Date:

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