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| <b>1 December 2020</b>                                                                        | <b>ITEM: 8</b>              |
| <b>Children's Services Overview and Scrutiny Committee</b>                                    |                             |
| <b>Fees and Charges Pricing Strategy 2021/22</b>                                              |                             |
| <b>Wards and communities affected:</b><br>All                                                 | <b>Key Decision:</b><br>Key |
| <b>Report of:</b> Kelly Mcmillan, Business Development Manager                                |                             |
| <b>Accountable Assistant Director:</b> Michele Lucas, Assistant Director Education and Skills |                             |
| <b>Accountable Director:</b> Sheila Murphy, Corporate Director of Children's Services         |                             |
| <b>This report is Public</b>                                                                  |                             |

### **Executive Summary**

This report specifically sets out the charges in relation to services within the remit of this Overview and Scrutiny Committee. Charges will take effect from the 1 April 2021 unless otherwise stated.

In preparing the proposed fees and charges, Directorates have worked within the charging framework and commercial principles set out Section Three of the report. We have also taken into account the effect that Covid-19 has and will continue to have on services, residents and the local economy.

Further Director delegated authority will be sought via Cabinet to allow Fees and Charges to be varied within financial year in response to legal, regulatory or commercial requirements.

The full list of proposed charges is detailed in Appendix 1, and the proposed deletion of current fees and charges are detailed in Appendix 2 to this report (*if applicable*)

## **1 Recommendations**

- 1.1 That Children's Services Overview and Scrutiny Committee note the revised fees and charges proposals including those no longer applicable**
- 1.2 That Children's Services Overview and Scrutiny Committee note that director delegated authority will be sought via Cabinet to allow Fees & Charges to be varied within a financial year in response to commercial requirements**

## **2 Introduction and Background**

- 2.1 The paper describes the fees and charges approach for the services within the

Children's Services Overview and Scrutiny Committee remit for 2021/22 and will set a framework for certain pricing principles moving forward into future financial years.

2.2 The paper provides narrative for the following areas:

- Placement Support- Oaktree
- Summer Playscheme for Disabled Children
- Admissions & Welfare
- Early Years Education and Childcare
- Learning & Skills – Grangewaters
- Music services
- Thurrock Adult Community College

### 3 Thurrock Charging Policy

3.1 The strategic ambition for Thurrock is to adopt a policy on fees and a charge that is aligned to the wider commercial strategy and ensures that all discretionary services are operated within a framework of cost recovery.

3.2 Furthermore, for future years, while reviewing charges, services will also consider the level of demand for the service, the market dynamics and how the charging policy helps to meet other service objectives. A full market analysis is undertaken on a yearly basis to ensure that we are still competitive in the wider market.

3.3 When considering the pricing strategy for 2021/22 some key questions were considered.

- Where can we apply a tiered/premium pricing structure
- How sensitive are customers to price (are there areas where a price freeze is relevant )
- Consideration with regards to COVID 19 and the impact on fees & charges locally & nationally.
- What new charges might we want to introduce for this financial year
- How do our charges compare with neighbouring boroughs
- How do our charges compare to neighbouring boroughs and private sector competitors (particularly in those instances where customers have choice)
- How can we influence channel shift
- Can we set charges to recover costs
- What do our competitors charges
- How sensitive is demand to price
- Statutory services may have discretionary elements that we can influence
- Do we take deposits, charge cancellation fees, charge an admin fee for duplicate services (e.g. lost certificates.)
- Can we offer a discount for early booking or repeat customers.

3.4 For Children's Services charges are tiered depending on the service area:

- **Grangewaters** – have tiered charges based on the number of activities, length of stay, accommodation, catering, and the number/age of people taking part in the activities.
- **Nurseries** – charges are tiered around the ages of the children, and the times the children are in attendance.
- **Adult Community College** – have tiered charges based on the community engagement and learner abilities to pay the full cost for the programmes.

3.5 The following key changes occurred for 2021/22 fees and charges:

- Certain nursery place charges have been scaled for 2021-22 to give a better reflection of the different offers we have available, most charges have been increased to take account of the actual costs of service delivery, which are dependent on the age's involved and corresponding staffing ratios and which option the parents wish to choose. These will be in line with central government grant funding.
- We have removed some nursery charges relating to 3, 4 and 5 year olds as this is no longer required due to the introduction of the 30 hours Government funded early education and childcare places.
- 2021-2022 we have introduced a new holiday club opportunity to provide more opportunities for children to access services.
- Scaling charges have been introduced to give more flexibility to parents around the different offers.
- Grangewaters charges have increased between 2%-3%.(ranging from 60p for school visits to £289 for private hire of the site for the angling club)
- Thurrock Adult Community College were integrated into the Council's fees and charges process as of last year. Small increases have been made which is still significantly below market rates recognizing the community engagement within the college and the potential challenges arising from Covid 19.
- Cabinet approved the update of the Home to School Travel and Transport policy in July 2020. The update included the implementation of a charging system whereby some post 16 SEND students will pay for their transport in accordance with the Department for Education's statutory guidance around post 16 SEND transport. The charging system is projected to commence in September 2021.

## 4 Proposals and Issues

4.1 The fees and charges for each service area have been considered and the main considerations are set out below.

4.2 To allow the Council services to better respond to changes in the commercial environment for fees and charges; delegated authority will be sought through Cabinet to permit the Director of the Service Area jointly with the Director of Finance to vary service charges within financial year due to commercial

considerations.

- This will allow service areas, providing services on a traded basis to vary their fees and charges to reflect commercial and operational considerations that impact the cost recoverability calculations.
- Any changes to Fees and Charges due to commercial considerations will require the consultation with, and agreement of, the relevant Portfolio Holder.

### 4.3 Summer Playscheme for Disabled Children

The Short Break and Outreach Service has been operating a Summer Playscheme for Disabled Children for many years. The service provides activities for children that cannot access mainstream holiday clubs due their complex and special needs. The service runs for 4 days per week for 4 weeks of the summer holidays and accommodates 50 children every day. Parents are charged a fee to assist with the high cost of the scheme, which is used to fund towards the high level/ ratio of staff needed to provide a safe service. The parent contributions do not cover the overall cost of the service and the deficit is covered by the Directorate. Sponsorship of the service is being considered to cover the shortfall for 2021/2022 as recommended by the recent Children's Service reviews.

### 4.4 Adult College

Is funded from the Education and Skills Funding Agency (ESFA) and this funding is attached to individual learners and runs on an academic calendar year basis. It is a requirement of the funding source that any excess income generated must be used to subsidise courses for residents, which meet and contribute too, the Thurrock Council priorities for vulnerable groups. Small increases have been made which is still significantly below market rates. Covid 19 has had a direct effect on the commercial lettings due to the restrictions in place, these have been increased slightly to cover staffing costs. Central government have also indicated there intention to provide further free education for higher level skills which will result in reduced income for the college when this takes place, this may be mitigated by an increase in funding but it is not yet known at this time.

### 4.5 Music Service

These remain unchanged for 2021/22

### 4.6 Early Years Education and Childcare

Providing early years opportunities is a key strategic driver within the local authority and we remain committed to ensuring early years provision is available within local communities.

The nursery service has a significant cost overhead, with staff making up 80% of service costs and at rates which are not competitive to those paid in the private sector i.e. Council is paying higher basic salary levels.

Therefore, to develop the service the area will need to fully analyse the following options:

- Operational hours will need to be reviewed around core 30 hours; which will allow the service to charge parents for periods normally used by commuters and working parents
- Consultation with major local employers to align working hours and provide greater flexibility around access to childcare.
- Developing a tiered service model, linked to above
- Changing some staff patterns to accommodate a wider operational model to meet the changing ways in which companies operate.
- Increase use of apprentices and trainee staff as vacancies arise thus supporting the need for more local apprenticeship opportunities.
- Development/Expansion of 0 year to 2 year childcare services as potential income stream (in progress and planned for Spring opening)
- Charges have increased between 2%-3% for 2021/22

#### 4.7 Learning & Skills – Grangewaters

Charges have increased where possible between 2%-3%

Due to Covid 19 Grangewaters was closed for part of the year, we will be working towards promoting the use of Grangewaters and increasing marketing to encourage the use of the site in 2021/22. The re-opening of Grangewaters has given both schools and local residents the opportunity to engage in outdoor activities. We have seen a significant increase in bookings over the summer from both schools and residents – bookings for October half term are strong and we have a number of schools who have booked until the end of the financial year 20/21

### 5 Reasons for Recommendations

- 5.1 The setting of appropriate fees and charges will enable the Council to generate essential income for the funding of Council services. The approval of reviewed fees and charges will also ensure that the Council is competitive with other service providers and neighbouring councils. The ability to vary charges within financial year will enable services to more flexibly adapt to changing economic conditions.
- 5.2 The granting of delegated authority to vary these charges within financial year will allow the Council to better respond to the needs of the communities, legal requirements, regulatory changes and commercial challenges.

### 6 Consultation (including Overview and Scrutiny, if applicable)

- 6.1 Consultations will be progressed where there is specific need. However, with regard all other items, the proposals in this report do not affect any specific parts of the borough. Fees and charges are known to customers before they make use of the services they are buying

### 7 **Impact on Children's Services policies, priorities, performance and community impact**

- 7.1 The changes in these fees and charges may impact the community; however it must be taken into consideration that these price rises include inflation and no profit will be made on the running of these discretionary services.

### 8 **Implications**

#### 8.1 **Financial**

Implications verified by: **Joanne Freeman**  
**Finance Manager**

The effect of any changes to fees and charges on individual income targets will be determined as part of the 2021-22 budget setting process in which Corporate Finance and service areas will review anticipated level of demand, fee increases, previous performance and potential associated costs. Covid-19 has significantly impacted the Authority's ability to achieve current income targets and this will be taken into consideration when setting future targets.

The Council wide draft budget report will set out the 2021-22 targets across all directorates

#### 8.2 **Legal**

Implications verified by: **Tim Hallam**  
**Deputy Head of Law and Deputy Monitoring Officer**

Fees and charges generally fall into three categories – Statutory, Regulatory and Discretionary. Statutory charges are set in statute and cannot be altered by law since the charges have been determined by Central government and all authorities will be applying the same charge.

Regulatory charges relate to services where, if the Council provides the service, it is obliged to set a fee which the Council can determine itself in accordance with a regulatory framework. Charges have to be reasonable and must be applied across the borough.

Discretionary charges relate to services which the Council can provide if they choose to do so. This is a local policy decision. The Local Government Act 2003 gives the Council power to charge for discretionary services, with some limited exceptions. This may include charges for new and innovative services utilising the Council's general power of competence under section 1 of the Localism Act 2011. The income from charges, taking one financial year with another, must not exceed the cost of provision. A clear and justifiable framework of principles should be followed in terms of deciding when to charge and how much, and the process for reviewing charges.

A service may wish to consider whether they may utilise this power to provide a service that may benefit residents, businesses and other service users,

meet the Council priorities and generate income.

Decisions on setting charges and fees are subject to the Council's decision making structures. Most charging decisions are the responsibility of Cabinet, where there are key decisions. Some fees are set by full Council.

### 8.3 Diversity and Equality

Implications verified by: **Rebecca Lee**

**Team Manager - Community Development**

The Council is responsible for promoting equality of opportunity in the provision of services and employment as set out in the Equality Act 2010 and Public Sector Equality Duty. Decisions on setting charges and fees are subject to Community Equality Impact Assessment process and the Council's wider decision making structures to determine impact on protected groups and related concessions that may be available.

### 8.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

None

### 9 Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

None.

### 10 Appendices to the report

- Appendix 1 – Schedule of Proposed Fees and Charges for 2021/22
- Appendix 2 – Schedule of Fees and Charges no longer applicable

### Report Author:

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