

1 December 2021		ITEM: 7
Children's Services Overview and Scrutiny Committee		
Fees & Charges Pricing Strategy 2022/23		
Wards and communities affected: All	Key Decision: Key	
Report Author: Kelly McMillan, Business Development Project Manager, Business Development and Innovation		
Accountable Assistant Director: Michele Lucas, Assistant Director Education and Skills		
Accountable Director: Sheila Murphy, Corporate Director of Children's Services		
This report is Public		

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 2022 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- 1.1 That Children's Services Overview and Scrutiny Committee note the revised fees and charges including those no longer applicable; and comments on the proposals currently being considered within the remit of this committee.**
- 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 2022/23 and will set a platform for certain pricing principles moving forward into future financial years.

2.2 The paper provides narrative for the following areas:

- Summer Playscheme for Disabled Children
- 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.

3.3 When considering the pricing strategy for 2022/23 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 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)

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 key following points should be noted for 2022/23 fees and charges:

- **Nursery places** - Charges have been scaled 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 and have increased in line with forecast inflation for 2022/23, a new holiday club was also introduced last year to provide more opportunities for children to access services.
- **Summer Playscheme for Disabled Children** - 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 2022/23 as recommended by the recent Children's Service review. The current charge per day, per child is £18.50 which will increase by 2% to £19 for 2022/23.
- **Grangewaters** - Charges have increased between 5%-64% (ranging from 28p for Dog groups to £140 for private hire of the site for the ski boat club). Average increase for schools is 4.96% (£6.50 per session.) A number of charges have been removed to better align our service offering, and new charges have been included to provide a more inclusive offer.
- **Thurrock Adult Community College** - Charges have been increased in line with forecast inflation however our pricing is still significantly below market rates recognizing the community engagement within the college and the potential challenges arising from Covid-19. A number of charges have been removed due to the relocation of the college as we are no longer able to provide them at the current location.

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 Unless indicated otherwise, fees and charges for 2022/23 can increase in line with forecast inflation (subject to rounding).

4.4 **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 2022/23 as recommended by the recent Children's Service review. The current charge per day, per child is £18.50 which will increase by 2% to £19 for 2022/23.

4.5 **Adult College**

The adult college is funded by the Education and Skills Funding Agency (ESFA) and this funding is attached to individual learners. It 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 to the Thurrock Council priorities for vulnerable groups. Small increases to fees have been made which is still significantly below market rates. Due to the relocation of the college, there are no longer opportunities for significant lettings although a 'price on application' category has been maintained for potential lettings at Stanley Lazell Hall.

4.6 **Music Service**

These remain unchanged for 2022/23

4.7 **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 2022/23

4.8 Learning & Skills – Grangewaters

Charges have increased where possible between 5% - 11%. (One increase of 64% due to staffing costs added)

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 2022/23. 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; a number of activities have sold out for our half-term offerings. Bookings for October half-term were strong and we have a number of schools who have booked until the end of the financial year 2021/22.

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

regards to 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 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.

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 2022-23 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 include the 2022-23 income targets across all directorates.

8.2 Legal

Implications verified by: **Gina Clarke**

Corporate Governance Lawyer

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 those services authorised by statute 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, with some restrictions and limitations that apply. The Localism Act limits the power to charge to the situation where the service is not one which the Council is required to provide

by statute; the person has agreed to its provision, and the Council would not otherwise have a power to charge for the service.

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. The Council is required to discharge its statutory duties under the Equalities Act 2010. In exercising its functions must have due regard to its Public Sector equality duties. Prior to reaching a decision to review fees and charges, the Council is required to assess and consider how the proposed changes are likely to impact on persons who have certain protected characteristics specified under the Act, and what steps can be taken to mitigate any negative impact.

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: **Roxanne Scanlon**

**Community Engagement and Project Monitoring
Officer**

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 Inequalities, Sustainability, Crime and Disorder, and Impact on Looked After Children

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 2022/23

Appendix 2 – Schedule of Fees and Charges no longer applicable (Removed)

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