

<b>17 November 2022</b>		<b>ITEM: 9</b>
<b>Children's Services Overview and Scrutiny Committee</b>		
<b>Fees &amp; Charges Pricing Strategy 2023/24</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Key	
<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</b> Public		

### **Executive Summary**

This report specifically sets out the fees and charges in relation to services within the remit of this Overview and Scrutiny Committee.

Charges will take effect from the 1st of April 2023, unless otherwise stated. In preparing the proposed fees and charges, Directorates have worked within the charging framework and commercial principles set out in Section Three of this report. We have also taken into account the effect that the increase in interest rates and the cost-of-living crisis has had on the Local Economy and our services and the continued implications from Covid-19.

Further Director delegated authority will be sought via Cabinet to allow Fees and Charges to be varied within financial year in response to changes in government legislation, all other changes in year will be brought back to Cabinet via the Service Director for transparency.

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.

## **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- 1.1 That Children's Services Overview and Scrutiny Committee note the revised fees and charges including those no longer applicable; and comments on the proposals currently being considered within the remit of this committee.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 legal and regulatory 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 2023/24 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:
  - Early Years Education and Childcare
  - Education & 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 charges that ensures that all discretionary services will fully cost recover wherever possible.
- 3.2 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 2023/24 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.
- **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 2023/24 fees and charges:**

- **Grangewaters** - Charges have increased where possible between 0.65% - 17%
- **Thurrock Adult Community College** - fees and charges have been increased between 2.27% - 3.70%. The provision is mostly fully funded. This is no longer a significant source of income as government has introduced new entitlements for adult learners.

## 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; the Director of the Service Area Jointly with the agreement of Cabinet may 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 consultation with, and agreement of, the relevant Portfolio Holder.

4.3 Unless indicated otherwise, fees and charges for 2023/24 can increase in line with forecast inflation (subject to rounding).

### 4.4 **Thurrock Adult Community College**

Is funded from 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 to ensure that we encourage and support adult community learning across Thurrock. CS27-ML/JB in appendix 1 is set as a variable charge due to the funding available to learners, courses can be free (the government fully funds some learners – this is called an entitlement) but there can also be fees, which differ based on the subject, which is set by the ESFA. Courses are planned annually and after fees & charges are agreed. At this stage it is impossible to predict which courses will be offered as this will depend on local and national priorities. Curriculum Planning takes place in Feb 23 for delivery of courses in Sept 23, so we are not in a position to identify specific fees for 23/24 until February 2023 subject to DfE policy changes. A link to where the maximum amount chargeable is listed is below: (Find a learning aim (submit-

learner-data.service.gov.uk) – To find an example, search for a course, click on the correct code, go to the funding tab on the left and expand Adult Skills – there are 2 rates, weighted and unweighted. The College compares these to other local providers and ensures we charge a competitive rate.

#### **4.5 Music Service**

Charges have not generally increased; however, the ranges have been amended to ensure they are being offered at a competitive rate.

#### **4.6 Early Years Education and Childcare**

This year has seen the closure of our two council run nurseries. Early years staff have support parents to ensure they can find alternative early years provision as this is a statutory duty on the council. We continue to support early years settings and work closely with our schools to ensure we have early years provision that meets the needs of our local communities.

#### **4.7 Education & Skills – Grangewaters**

Charges have increased where possible between 0.65% - 17%.

Following the pandemic, we have seen a rise in people accessing the outdoors and taking part in activities; both school groups and families.

A number of schools now book with us for the academic year, offering their students the opportunity to learn in an alternative environment supporting both their physical and emotional health.

During the school holidays we are offering both family activities and a range of accredited courses including Onboard sailing for our SEND cohort. The summer holidays saw a significant increase in bookings with many of the activities fully booked every day.

In addition to this and for the second year we are delivering a Holiday Activity with Food programme supporting young people to receive both activities and a hot meal during Easter, Summer, and Winter holiday periods.

### **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 will only apply to legal or regulatory changes. If there is a need to alter fees during the financial year to enable the Council to better respond to commercial challenges, additional reports may be brought to Cabinet for approval.

### **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: **David May**  
**Strategic Lead Finance**

The effect of any changes to fees and charges on individual income targets will be determined as part of the 2023-24 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 significantly impacted the Authority's ability to achieve income targets, and this will be taken into consideration when setting future targets. Income generated through fees and charges support the provision of services.

The Council-wide draft budget report will include the 2023-24 income targets across all directorates.

### **8.2 Legal**

Implications verified by: **Gina Clarke**  
**Corporate Governance Lawyer & Deputy  
Monitoring Officer**

Section 93 of the Local Government Act 2003 ("LGA 2003") and guidance issued in 2003 pursuant to section 96(3) of the Act, empowers the Council to charge for discretionary services related to a Council function if the recipient of the service has agreed to its provision.

Discretionary services are those services authorised by statute that the Council is not required to provide but may do so voluntarily (section 93(1)(a), LGA 2003).

However, the Council cannot charge for mandatory services or services it has a duty to provide. Further, the section 93 charging power does not apply where there is a power to charge for a particular service elsewhere in other legislation (section 93(2)(a), LGA 2003).

The section 93 charging power cannot be used to charge for a service if other legislation expressly excludes an authority from charging (section 93(2)(b), LGA 2003). For example, the Education Act 1944 prohibits a local authority from charging for basic education; this prevents section 93 being used to circumvent a local authority's statutory duty to provide basic education for free.

The Council can set the level of charge for each discretionary service. However proposed charges must have regard to the 2003 statutory guidance. [General Power Best Value \(publishing.service.gov.uk\)](http://publishing.service.gov.uk).

The Council is under a general duty to secure that, from one financial year to the next, the income from charges for services does not exceed the costs of provision (section 93(3), LGA 2003). This approach allows a local authority greater flexibility to balance their accounts over a period of time and recognises the practical difficulties for a local authority in estimating the charges for a discretionary service at the outset.

The Council must offset any surplus or deficit in income because of any over or under recovery of charges when setting future charges for the discretionary service. This ensures that over time the income generated by the discretionary service equates to the cost of providing the service.

However, the Council does not have to recover the full costs of providing the service if there are policy reasons for limiting the charges in relation to a particular user of the service e.g., to the disabled, the unemployed or those in receipt of benefit. It must be able to justify its reasons for doing so.

Alongside the section 93 charging power, the general power of competence for local authorities under section 1 of the Localism Act 2011 (LA 2011) also confers a power on the Council to charge individuals for discretionary services. The section 1 charging power has similar requirements of the Section 93 LGA 2003 charging power as referred to above.

These charging powers are not intended to provide a new income stream for the Council and cannot be used to generate a profit. It does enable the Council to recover the costs of providing services or improvements to services that it might not otherwise have been able to justify providing or been able to provide. These powers also enable the Council to spread the cost of providing an existing service or a new discretionary service.

Taking the decision set the fees and charges is an executive function of the Council. The report to Cabinet supporting the recommended course of action should contain all the necessary and relevant information to enable members to take an informed decision on the proposed scheme and to satisfy themselves that the proposed charges are fair and reasonable.

In reviewing and setting fees and charges, the Council will need to have due regard to the Public Sector Equality Duty as set out in the Equality Act 2010.

### 8.3 Diversity and Equality

Implications verified by: **Roxanne Scanlon**  
**Community Engagement & 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. When setting charges and fees comprehensive benchmarking exercises are undertaken against other comparable provision. We ensure any increases are in line with these findings to limit any impact to protected groups and any related concessions that may be available. Most of the provisions within this report are funded externally or accessed through schools.

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 2023/24.

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

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