

Cabinet	Date: 9 th February 2011	Classification Unrestricted	Report No.	Agenda Item No.
Report of: Interim Corporate Director (Children, Schools and Families)		Title: Children, Schools and Families Fees & Charges 2011/12		
Originating Officer(s): Kate Bingham Acting Service Head (Resources)		Ward(s)..... ALL		

Lead Member	Cllr. Oliur Rahman
Community Plan Theme	A Prosperous Community
Strategic Priority	1.2: Work efficiently and effectively as One Council 5.1: Reduce differences in people's health and promote healthy lifestyles

1. **SUMMARY**

- 1.1 This report outlines the proposed Children, Schools & Families Fees and Charges for 2011/12 for School Meals, Day Nurseries, Junior Youth Services and the Saturday Morning Music Centre. The report also recommends the increase for in-house foster care.

2. **DECISION REQUIRED**

Cabinet is recommended to:

- 2.1 Approve Children, Schools & Families fees and charges for 2011/12 as follows:
- (a) no increase in the price of paid School Meals as detailed in Para 6.
 - (b) a simplified fee system for Day Nurseries as detailed in Para 7.
 - (c) no increase in fees for Holiday Play Schemes as detailed in Para 8.
 - (d) an increase in fees for the Saturday Morning Music Centre as detailed in Para 9.
 - (e) maintain the current charges for In-House Foster Care as detailed in Para 10.

3. REASONS FOR THE DECISIONS

- 3.1 Financial Procedures (Ref FA 2.3) specify that the fees and charges should be reviewed at least once a year. This report outlines the proposed Children, Schools & Families Fees and Charges for 2011/12.

4. ALTERNATIVE OPTIONS

- 4.1 The options for each fee and charge are addressed in the body of the report.

5. BACKGROUND

- 5.1 The following paragraphs outline the background and reasons for the recommended changes to Children, Schools and Families fees and charges for 2011/12.

6. SCHOOL MEALS

- 6.1 The local authority proposes to increase charges to adults, whilst freezing the price of pupil paid meals, for 2011/12 from the date of return for schools in the Summer Term 2011 (April 2011).
- 6.2 The Council has a statutory responsibility to provide a meal service to pupils eligible for free school meals. Within the current (Sept 2010) school population 23.3% of nursery, 48.1% of primary, 55.4% of secondary and 76.8% of special school pupils are entitled to a free school meal. In Tower Hamlets this equates to approx 20,000 (50.7%) pupils on roll. Tower Hamlets has the highest levels of free school meal eligibility in England. Total uptake of meals (including paid meals) by pupils is 65.1% in primary schools and 50.9% in secondary against respective national averages of 41.4% and 35.8% and has increased against the previous year by 0.2% and 2.2%.
- 6.3 In addition to the statutory provision of free school meals, CSF Contract Services also provides breakfast and mid morning break services at some schools. These services are provided at cost to encourage uptake and support the vital work to reduce obesity and increase attainment to all of Tower Hamlet's pupils across the Borough.
- 6.4 The school meals service has been nationally recognised by the catering industry on several occasions in previous years in terms of excellent service, management and outstanding achievement.
- 6.5 The service has been supported by the Council, over the past 6 years, to continue the in-house provision of fresh food in the borough's schools, which has enabled the service to develop and achieve the

Government's tough nutritional food standards both in primary and secondary schools as they became mandatory. In turn, the service has continued working particularly hard to increase the levels of sustainable procurement to provide even better value for money as well as the best quality provisions and where possible, local and seasonal produce.

6.6 Following a recent service and business standards review of the schools' catering provision a number of strategies have been identified to reduce subsidies previously provided by the Council over the next three financial years whilst maintaining the standards of the nutritional and food group guidelines demanded by Government.

6.7 In implementing these strategies, the service will focus on its core business of providing meals to the most vulnerable pupils in the borough at the same time as protecting the mainly female workforce in Contract Services (of which 317 reside within the Borough) who work on the front line of the catering and cleaning service provided.

6.8 Cost reductions will result from continuing to deliver efficiencies through the procurement of food and provisions in addition to reviewing direct labour costs and introducing robust performance management as well as reducing the costs of agency placements, management and administration overheads. Further, the LBTH Schools' Forum has agreed to shift delegation of the true cost of providing free school meals to the Schools' Budget.

6.9 Therefore, the Local Authority does not propose to increase the price of paid primary or secondary schools meals in 2011/12 and Cabinet is asked to consider the following prices for meals in 2011/12:

- The price of adult meals to increase from £2.10 plus VAT to £2.25 plus VAT (6.7% increase)

6.10 There is no impact on the pupils entitled to free school meals.

7. DAY NURSERIES/JOHN SMITH'S AND OVERLAND CHILDREN'S CENTRES

7.1 Cabinet is asked to consider increased fees for Day Nurseries for 2011/12 which will come into place from 1st April 2011.

7.2 The Day Nurseries provide a front-line service offering high quality childcare. The majority of children accessing this service are vulnerable and have been referred by Social Care or other professionals.

7.3 The fee system is to be greatly simplified. The proposals aim to keep charges affordable and fair for parents. The Childcare Tax Credit system will be promoted; the nurseries will ensure that all parents know

how to claim what they are entitled to. The nurseries will ensure that they claim all nursery education funding for eligible children.

- 7.4 The day nurseries will aim to have a minimum of 25% of places being charged at the full rate; the charge to parents may be significantly less because of tax credits and nursery education funding.
- 7.5 The EPPE Project finds that outcomes for vulnerable children are better if there is a mix of children e.g. vulnerable and more advantaged. The fee-charging proposal helps maximise income to the day nurseries and leads to better learning and development outcomes.
- 7.6 The maximum charge is to be increased to bring it in line with the amount which can be claimed under the childcare element of the Working Tax Credit, from £150.00 to £180.00 per week. This brings fees up to the average charged in Tower Hamlets by voluntary providers and significantly below fees charged by private providers.
- 7.7 Families where both parents are working at least 16 hours per week will pay the standard childcare fees regardless of the child's special educational or medical needs.
- 7.8 For workless families there will be no charge if there is an identified need for their child. The nurseries will still be able to claim 15 hours nursery education funding. Two, three and four year old children would still be eligible for 15 hours of free nursery education where there is no identified need.
- 7.9 For children already accessing fee-charged places, the increase this year will be limited to 10% of current fees, after tax credits and nursery education grant are taken into account.
- 7.10 Working families on low income (approximately £17,800 for two parents and £13,000 for single parents) are able to claim up to 70% (as of 1 April 2011) of childcare costs. (The amount of tax credit parents receive is tapered as parental income increases.)
- 7.11 Two year olds from the most disadvantaged families and all three and four year olds are also eligible for 15 free hours of nursery education for 38 weeks a year.
- 7.12 A parent with one child eligible for maximum childcare tax credit and free nursery education will pay around £39 per week.
- 7.13 Childcare tax credit covers costs for two children up to £300 pounds per week.
- 7.14 With maximum tax credit and free nursery education the weekly cost will be around £78 for both children.

- 7.15 For a third child there will be a discount on fees; parents will be charged 50% of the incurred costs for one of the first two children (taking into account childcare tax credit received). A family with three children attending would therefore pay a little under £100 per week for all three.

8. JUNIOR YOUTH SERVICE

- 8.1 The Junior Youth Service is currently subject to a service options review. The proposals include a transfer of responsibility for after-school child-care in term-time to participating schools. These schools will set their own fee levels, in accordance with the local guidelines (Local Authority guidance re: Schools' Charging Policy), and will offer guidance on recompense for parents through the working families' tax credit scheme.
- 8.2 Holiday child-care provision will remain the responsibility of the local authority, and the Local Authority proposes to freeze charges for 2011/12.
- 8.3 The charge for working parents who are Tower Hamlets residents will remain at £10 per child per day for each of the first three children in a family who are all attending the same scheme, with no charge for the fourth and any subsequent children for attendance between 9.00am and 4.00pm.
- 8.4 The charge for concessionary places will remain at £5.00 per day for each of the first three children in a family who are all attending the scheme, with no charge for the fourth and any subsequent children. These places are for children whose parents are in receipt of job seekers allowances or income support. These charges apply to Tower Hamlets residents only.
- 8.5 The charge for Holiday Play Schemes places for children of residents living outside Tower Hamlets will remain at £30.00 per child per day.
- 8.6 The JYS develops its marketing and publicity campaign to promote the service and to encourage the take-up of the childcare tax credit element of Working Tax Credit. Tax Credit Surgeries held at the Children's Information Service provide information for childcare providers so they can advise parents, enabling workers in charge to confidently provide information and support parents where appropriate.

9. TOWER HAMLETS ARTS AND MUSIC EDUCATION SERVICE (THAMES) SATURDAY MORNING MUSIC CENTRE

- 9.1 The Tower Hamlets Arts and Music Education Service (THAMES) is currently fully funded by a small Standards Fund Grant provided by the

DfE. It does not receive any additional funds from the Council. The future of this grant is still unknown and the continuation of grant funding will have a direct impact of charging structure or indeed, service provision in the future.

- 9.2 The Service provides instrumental and vocal tuition to schools including other music related projects and events. Currently there are approximately 10,500 children in Tower Hamlets schools receiving tuition in school time. Lessons are free and THAMES provides an instrument for every child. It also provides a Saturday Music Centre for those pupils wishing to make music with other pupils. This operates for ten Saturdays each term for 3.5 hours. Operating costs of the centre are approx. £86k per annum. THAMES has been reviewing all aspects of the financial management of the Centre ensuring that finances reflect common practice and other national models.
- 9.3 Saturday Music Centres are provided by many Local Authority Music Services. All authorities charge parents/carers for their children to attend.
- 9.4 In September 2007 a small charge was introduced for all pupils attending the centre. This was set at £30 per term in the first year rising to £35 a term in the second year per pupil with a 50% charge (£17.50) for each additional child attending if parents/carers had more than one child at the Centre. At £3.50 per week per child for a three and a half hour specialist music activity it represented very good value for money. Parents/carers who could provide evidence of Income Support or any other recognised documentation confirming low income status were exempt from any charge. All pupils on Free School Meal (FSM) registers were also exempt. Any income generated is used solely for the benefit of all pupils at the Centre to offset its high cost.
- 9.5 Cabinet is asked to consider the proposed charges detailed below for the Tower Hamlets Arts and Music Education Service (THAMES) Saturday Morning Music Centre for 2011-2012:
- 9.6 It is proposed that there is an increase in fees to parents/carers for 2011/12. This charge is recommended to increase to £40 a term (with 50% reductions for second or more children attending the centre). Whilst there was no increase last academic year it is recognised that it is now necessary to levy a small increase to cover tutor fees. At £40 per pupil (50% reduction for every second child) this still represents excellent value for money as tuition remains free to pupils in schools. The projected income for 2011/12 is £35k, an increase of £4k per annum.

10. IN-HOUSE FOSTER CARE

- 10.1 Foster carers play a vital role in caring for looked after children and in Tower Hamlets we have several types of carers to meet a wide range of children's needs, from respite carers offering short breaks to children with disabilities, to full time carers for young children and adolescents. We have worked very hard to ensure that the weekly foster care allowance is set at a rate which allows us to continue to recruit and retain foster carers, however, due to the current economic and financial position we are recommending a 0% increase for 'in house' foster carers during the financial year 2011/12.
- 10.2 Cabinet is, therefore, recommended to approve the following charges for 2011/12.

Age of Child in Foster	Basic Weekly Allowance charged 2010/2011 (per child)	Proposed Basic Weekly Allowance charged 2011/2012 (per child)
0 – 4	£300.00p	£300.00p
5 – 10	£315.00p	£315.00p
11 - 15	£334.00p	£334.00p
16+	£362.00p	£362.00p

11. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 11.1 Financial Procedures (Ref FA 2.3) specify that the fees and charges should be reviewed at least once a year.
- 11.2 The proposal to maintain the current level of the cost of paid meals for pupils is only sustainable through an achievement of the cost reductions referred to in the report, and an agreement with Schools Forum to shift the true cost of meal provision to schools' individual budgets. A re-balancing of the costs and charges involved in providing the School Meals service could allow the subsidies in both the General Fund Budget (£0.312m) and in the Schools Budget (£0.958m) to be removed, while keeping charges to pupils at the 2010/11 level.
- 11.3 The proposed increases to the maximum charge for Day Nurseries and Children's Centres will assist the service in maintaining provision at a time when the underlying level of former SureStart Grant within the new Early Implementation Grant for 2011/12 is 12% less than previously and the service is expected to have savings targets to meet as part of the Council's Medium Term Financial Strategy.

- 11.4 The policy of charging for the Holiday Play Schemes has operated since September 2003 and currently contributes funding towards accelerated investment in the service. The proposal is to maintain the current level of charging.
- 11.5 The Saturday Morning Music Centre proposes to increase its fees for those who pay by £5 from £35 to £40 per term, with a 50% reduction for second and subsequent children.
- 11.6 The proposed freezing of foster care allowances is not expected to impact on the overall costs of foster care.

12. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL)

- 12.1 The Council has power to set each of the charges and payments proposed in the report.
- 12.2 The Council has power under section 512(1) of the Education Act 1996 to provide milk, meals or other refreshment to registered pupils at maintained schools, others who receive education at maintained schools and children who receive relevant funded early years education. The Council is obliged to make such provision to specified persons, including those who are eligible for free lunch. Pursuant to section 512ZA of the Education Act 1996, the Council may charge for the provision of milk, meals or other refreshment. The Council is generally required to charge every person the same price for the same quantity of the same item, although section 512ZB specifies that the provision must be free to those who are eligible for free lunch.
- 12.3 The Council is empowered under section 8 of the Childcare Act 2006 to provide childcare, to assist any person who provides childcare and to make arrangements with any person for the provision of childcare. There is a detailed definition of childcare in the Act, but it generally includes any form of care for a child, including education and any other supervised activity. The Council has power under section 10 of the Childcare Act 2006 to enter into an agreement under which payments are made to the Council for the provision by the Council of childcare for a child. There are specified exceptions in respect of early years provision pursuant to section 7 of the Childcare Act 2006 and the Local Authority (Duty to Secure Early Years Provision Free of Charge) Regulations 2008, and for day care provided children in need under the Children Act 1989 (which has a separate charging provision). Officers will need to ensure that the proposed charges are not applied in the excepted cases.
- 12.4 The Council is not generally permitted to charge for the provision of education either during school hours or, in specified circumstances, out of school hours. There is an exception, pursuant to which the Council may charge in relation to tuition in singing or in playing a musical

instrument. The Charges for Music Tuition (England) Regulations 2007 provide that a charge may be made for such tuition if it is provided at the request of the pupil's parent. There are further exceptions where the education is provided in discharge of the Council's duty to implement the national curriculum, or where the education is provided in the key second stage to enable pupils to decide whether they wish to receive further tuition in singing or playing any musical instrument. Officers will need to ensure that the exceptions are complied with in the application of the charges.

- 12.5 The Council has power under section 22C of the Children Act 1989 to determine the terms on which it will place a child with a local authority foster parent, including terms as to payment. The power to determine payment terms is subject to any minimum payments specified by the Secretary of State by order under section 49 of the Children Act 2004, but it does not appear that this power has been exercised.

13. ONE TOWER HAMLETS CONSIDERATIONS

- 13.1 Families eligible for free school meals will not be affected by the increased school meal costs. All other benefits related issues are detailed in each category of charges, these specifically refer to the benefits available to families of children & young people enabling them to access a wide range of services.

- 13.2 Initial equality impact screenings for those services incurring higher fees have been undertaken and services will be subject to full equality impact assessments where necessary - the outcomes of which will be reported to Cabinet at the meeting on 9 February 2011. In addition, take up of services following any fee increases will be monitored to evaluate any adverse impact on participation.

14. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT (SAGE)

- 14.1 There are no implications arising from the recommendations of this report.

15. RISK MANAGEMENT IMPLICATIONS

- 15.1 There is a risk to the provision of services by the Junior Youth Service if there is no increase in fees. The paying pupil income from school meals is necessary to sustain and improve the school meal service.

16. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 16.1 There are no implications arising from the recommendations of this report.

17. EFFICIENCY STATEMENT

- 17.1 The Authority, as well as schools, is required to achieve the Council's savings targets in 2011/12. The annual review of fees and charges recommends an increase for school meals, the maximum charge for Children's Centres and charges for the Junior Youth Service in order to cover the increased costs for salaries, materials and other running costs, as well as providing additional funding for accelerated investment.
- 17.2 The proposed fee structure represents a balance between maintaining existing high quality provision of meals and day care places and maximising participation in Junior Youth activities whilst continuing to represent good value for money by customers and users.

LOCAL GOVERNMENT ACT 1972 (AS AMENDED) SECTION 100D

LIST OF "BACKGROUND PAPERS" USED IN THE PREPARATION OF THIS REPORT

Brief description of "Background Paper"	Name and telephone number of holder and Address where open to inspection F
Equality Impact Screenings Equality Impact Assessments (if necessary)	Kate Bingham 4 th Floor, 5 Clove Crescent London, E14 2BG Tel: 020 7364 4811