

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OR EDUCATION, ADULT AND CHILDREN'S SERVICES

TO:	PERSONNEL COMMITTEE		
DATE:	2017	AGENDA ITEM:	4
TITLE:	KENNET DAY NURSERY FEE INCREASE		
LEAD COUNCILLOR:	JO LOVELOCK	PORTFOLIO:	LEADER OF THE COUNCIL/CHAIR OF PERSONNEL COMMITTEE
SERVICE:	KENNET DAY NURSERY	WARDS:	BOROUGHWIDE
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1. EXECUTIVE SUMMARY

- 1.1 This report details the nursery's budget for 2017/2018 and seeks to make recommendations for the nursery fees from April 2017.
- 1.2 Under the arrangements for consultation set out by the former Equal Opportunities Sub-Committee when it set up the nursery in 1987 the Kennet Day Nursery Association need to have ratified the proposed fee increase. This took place on February 1st 2017 with this proposal consulted on prior to this date.

2. RECOMMENDED ACTION

- 2.1 That the fee structure be increased by 2% to apply from September 2017 as follows:

£217.65 per week - £43.53 per day (RBC Users)
£238.75 per week - £47.76 per day (Non RBC Users)
- 2.2 The current discount of £2 a day for siblings will continue unchanged throughout the year. The current additional charge of £2 a day for children under 2 years will continue unchanged.
- 2.3 To increase the 'crèche' ad-hoc hourly rate to from the current £6 per hour to an £8 change for all users.

2. 4 To increase additional charges for users who have 'late fines' from £5 to £10 for the first 15 minutes and £25 thereafter.

3. POLICY CONTEXT

- 3.1 The last fee proposal was agreed in August 2016 and required the nursery to run on a self funding basis with a zero budget build. To achieve this, a consistent 85%+ occupancy level was required throughout the year.
- 3.2 In budget proposals 2016-20 to 'Narrow the budget gap'. It was agreed that Kennet day Nursery would be required to achieve a profit. In the financial year 2017/18 the nursery needs to make a surplus of £20,000 which will increase to £30,000 for 2018/19.
- 3.3 Changes in government policy from September 2017 will result in working parents of 3 to 4 year-olds in England will be eligible for 30 hours of free childcare - rather than the current 15 hours for 38 weeks of the year (term time). Families working over 16 hours a week with children of this age will be eligible for this if:
- Their child will be aged 3 or 4 when the scheme starts.
 - BOTH parents must be working - or the sole parent is working in a lone parent family
 - If each parent earns, on average, a weekly minimum equivalent to 16 hours at National Minimum Wage or National Living Wage
 - If each parent must have an annual income of less than £100,000
 - If you live in England.
- Parents will be able to apply for both the 30-hour scheme and the Tax-Free Childcare scheme through a joint online application being developed by HMRC. This is because the eligibility requirements for both schemes are aligned.

4. THE PROPOSAL

- 4.1 To increase the nursery fees by 2% with affect from September 2017. See table of comparison nurseries fees 7.3.

To increase the crèche ad-hoc hour rate to from the current £6 per hour to an £8 change for all users. This hourly charge has been at this rate since 2012 when this service was first introduced.

The crèche service currently offers nursery users an opportunity to add (subject to availability) additional ad-hoc hours to sessions allowing them to attend meetings, appointments and other commitments that fall outside of their 'booked' sessions. These crèche hours have restrictions and are not permitted for longer than 3 hours blocks of time. They cannot be used consistently to replace booked sessions and any booked places will always get priority over this service. However, the crèche service helps to support the nursery income and provides a valued service to our users.

- 4.2 The fine for 'lateness' is custom and practiced in the childcare sector and this late fine rate of £5 has been in place for over 20 year. We do not have many

occasions to use this and parents are always given an opportunity to appeal by email within five working days. However, we feel this charge now requires a review to cover the additional staffing cost that we incur staff are required to wait with the child.

5. CONTRIBUTION TO STRATEGIC AIMS

5.1 The nursery contributes to the strategic aims of promoting equality and social inclusion; and to securing the most effective use of the Council's resources (staff) in the delivery of high quality, Best Value public services.

5.2 The service objective of the nursery is to provide high quality childcare for the children of employees, to allow these employees to work for the Council whilst meeting their childcare commitments as parents and/or primary carers.

5.3 The nursery's is well regarded by childcare practitioners in Reading as being a high quality childcare service. This has been confirmed by OFSTED grading of the nursery as 'OUTSTANDING' in its latest inspection carried out in July 2016.

This has been achieved through:-

- Predominantly using level 3 qualified staff to meet its child to staff ratios
- Paying staff a competitive wage for childcare (but they are still amongst the lowest paid of the Council's staff)
- Staff in house training opportunities are exceptional and worthy of sharing with others. Staff also are supported in-house to work towards professional qualifications (NVQs). This was highlighted by Ofsted as key to achieving it OUTSTANDING grading.
- Providing effective management structure undertaken through self-evaluation to ensure positive outcomes for children.

6 LEGAL IMPLICATIONS

6.1 The nursery is provided by the Council for its staff under Sections 111 and 112 of The Local Government Act 1972. It operates under the provisions of the Children care Act 2006. The day nursery is registered with OFSTED to provide full day-care for children under eight.

6.2 Under the arrangements for consultation set out by the former Equal Opportunities Sub-Committee when it set up the nursery in 1987, and set out in a long-standing partnership agreement, the Council is required to consult with the Day Nursery Association before it makes any changes to fees or charges for the day nursery. The consultation proposal for this fee increase was circulated to the full Kennet Day Nursery Association prior to the position being ratified at the Kennet Day Nursery committee on 1st February 2017 where trade unions were invited.

7. FINANCIAL IMPLICATIONS

- 7.1 At present the average occupancy level for the nursery is 95% this occupancy fluctuates annually with a drop in levels in September as a direct result of children leaving to go to school; this occupancy then steadily increases again in the following months. The Nursery also has a very healthy waiting list with over 40 families waiting for spaces over the coming year.
- 7.2 Kennet Day Nursery still remains good value for money with other local nurseries charging rates ranging from £46 a day to £66 a day for children aged over two years old.
- 7.3 Current comparison prices for local day nurseries within the vicinity.

Setting	U 3's	Over 3's
Co-Op	£62.50	£60.00
Forbury Gardens	£63.00	£56.00
Caversham Day Nursery	£58.00	£54.00
Berkley Gardens	£63.00	£56.00
Little Dragons	£56.00	£54.00
Busy Bees	£54.10	£54.10
Chiltern	£66.00	£61.00
Bubbles (The Globe)	£50.50	£47.50
Greyfriars	£59.00	£53.50
The Lodge	£51.00	£46.00
Average	£58.31	£54.21