

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF CHILDREN, EDUCATION AND EARLY HELP SERVICES

TO:	PERSONNEL COMMITTEE		
DATE:	15 MARCH 2018	AGENDA ITEM:	8
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 2018/2019 and seeks to make recommendations for the nursery fees from April 2018.
- 1.2 In accordance with Section 100B (4)(b) of the Local Government Act 1972, the chair has agreed that this item of business should be considered at the meeting as a matter of urgency for the following reason:

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 22 February 2018 with this proposal consulted on prior to this date.

2. RECOMMENDED ACTION

- 2.1 That the fee structure be increased by 4% to apply from April 2018 as follows:

£228.55 per week - £45.27 per day (RBC Users)

£250.75 per week - £49.66 per day (Non RBC Users)

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.

3. POLICY CONTEXT

3.1 The last fee proposal was agreed in September 2017 and required the nursery to run on a £20,000 profit. To achieve this, a consistent 87+% occupancy level was required throughout the year.

3.2 In budget proposals 2016-20 to 'Narrow the budget gap'. It was agreed that in Kennet day Nursery would be required to achieve a profit. In the financial year 2017/18 the nursery needs to make surplus target of £20,000 increasing to £30,000 in 2018/19.

3.3 Changes in government policy from September 2017 have enabled eligible working parents of 3 to 4 year-olds in England will be eligible for 30 hours of free childcare - for 38 weeks of the year (term time).

Families working over 16 hours a week with children of this age are 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.

As a work place day nursery Kennet operate this funding on a stretched basis, allowing parents get access to 21.90 hours of funding a week all year round.

4. THE PROPOSAL

4.1 To increase the nursery fees by 4% with affect from April 2018.
See table of comparison nurseries fees 7.3.

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 (NVOs). This was highlighted by Ofsted as key to achieving its 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 22 February 2018 where trade unions attended.

7. EQUALITY IMPACT ASSESSMENT

Other financial Support for working families

There are a number of ways in which parents can receive support with their nursery fees depending on their personal circumstances :

Working tax family credits which still reimburse up to 70% of nursery fees.

Childcare vouchers- For working families, in the UK, with children under 16 (or under 17 if disabled), Up to £933 a year in tax and National Insurance savings

Tax free childcare - For working families, including the self-employed, in the UK with children under 12 (or under 17 if disabled), for every £8 you pay in, the government will add an extra £2, up to £2,000 per child per year - that's up to £500 every three months

30 Hours free childcare entitlement to eligible families for their children the term following their child's 3rd birthday.

FINANCIAL IMPLICATIONS

- 8.1 At present the average occupancy level for the nursery is 94% 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 or planning to take up spaces over the coming year.
- 8.2 Kennet Day Nursery still remains good value for money with other local nurseries charging rates ranging from £46 a day to £61 a day for children aged over two years old.
- 8.3 In looking at the setup of other day nurseries and the way that they structure both attend part-time. These children are usually charged at a higher rate than children who attend full-time. Please see below for comparison fee rates:-

<i>Setting</i>	U 3's	Over 3's
<i>Forbury Gardens</i>	£69.00	£61.00
<i>Caversham Day Nursery</i>	£59.00	£55.00
<i>Berkley Gardens</i>	£66.00	£58.50
<i>Little Dragons</i>	£54.00	£53.00
<i>Sure Start Whitley</i>	£50.23	£45.79
<i>Busy Bees</i>	£56.30	£56.30
<i>Lodge</i>	£51.00	£46.00
<i>Chiltern</i>	£68.00	£63.00
<i>Bubbles (The Globe)</i>	£50.50	£47.50
<i>Greyfriars</i>	£59.00	£53.50
<i>Average</i>	£58.30	£54.00
<i>Kennet Day Nursery (RBC)</i>	£47.39	£45.27
<i>Kennet Day Nursery (Non)</i>	£51.79	£49.66