

**DRAFT TEMPLATE**

Checklist of questions all managers will need to consider when setting income charges:

**1. Do we need to provide this service at all and if not please explain why we are providing it?**

This is a non statutory service. The three adult education nurseries were set up, with support from the Skills Funding Agency (then known as the Learning and Skills Council), to provide flexible childcare to meet the specific needs of learners attending classes at BAEC. When it became clear that there was insufficient demand from learners alone to maintain the nurseries operating at a level that would generate sufficient income, the nurseries were opened to local residents as well as students and staff. This means that they now contribute to the provision of places which support the delivery of the Councils statutory sufficiency duty.

**2. Is this a new charge to be considered or an amendment/change to our existing charging policy?**

Any proposals would be an amendment to existing fees and charging rates, which are reviewed on an annual basis once the service has been notified of the LBB inflationary increase being applied to budgets. Any increases are applied at the start of the academic year.

**3. Is the charge set by statute?**

No.

**4. Is the level of charge set by statute?**

No.

**5. If 3 & 4 above are not applicable, is the proposed charge based on full cost recovery and if not please specify why not?**

- **Political**
- **Means Tested**
- **Statutory**
- **Negative impact on the environment**
- **Other – please specify**

Fees and charges cover all direct costs. Only one of the nurseries generates sufficient income to cover the costs of all overheads. Market forces and the charges of other local providers were a key factor when determining the fees charged for this service.

**6. Who uses the service and when and can they go elsewhere?**

The service is used by students attending BAEC, staff working at the College and local parents. The nurseries are open term time only between 9.00 – 16.30. There are other local providers of pre-school childcare in Bromley.

**7. What impact will any change in charging have on the service?**

To date, increases in line with inflation have had little impact on the service. However, if the price is set too high, it will negatively impact on the occupancy of the provision.

**8. Will consultation need to be undertaken out and how long will this take?**

Consultation on fees are not required, although the Local Scheme of Delegation requires that the view of the BAEC Board of Governors is sought prior to any increase.

**9. Is there evidence that there will be a disproportionate impact on some customer groups? If yes, a full equality impact assessment will need to be undertaken.**

No.

**10. How acceptable are the proposals to the public?**

An increase in charges is seldom welcomed by the public, however most understand that rising costs in resources, utility bills and staff salaries inevitably lead to an increase in charges to service users. Providing increases are in line with inflation, they are generally accepted.

**11. Is the charge subject to VAT? If you are not sure please seek advice from the VAT officer in finance.**

No.

**12. Impact on service demand – if demand increases/falls can the Council adjust its provision accordingly?**

Nursery assistants are employed on a sessional basis so that staffing costs can be adjusted to meet fluctuations in demand. There is a maximum capacity in each nursery and Ofsted staff ratios have to be adhered to.

**13. Which services do we offer concessions on? Please state if this happens in your area.**

N/A

**Benchmarking****14a. Are third party commercial providers operating similar services in competition with the Council?**

Yes.

**14b. If yes, what/how do our charges compare and why are they different?**

Charges are broadly in line with other local provision

**15a. Is there a planned rate of increase for charges (above inflation) and how frequently are charges increased above inflation?**

Charges are reviewed annually and increased in line with LBB inflationary figure. Changes to charges are implemented at the start of the academic year.

**15b. Is member approval needed for new charges or increases above inflation? (The scheme of delegation allows chief officers to increase by inflation only, unless specifically agreed).**

Yes

**15c. Is this consistent with third party commercial providers?**

Yes

**16. How do charges compare to:**

- **Similar councils?**
- **Neighbouring councils?**
- **Other service providers?**
- **How are charges structured, and why?**
- **How and when will we evaluate the impact of charges?**
- **What data will we need?**
- **Can we collect this data cost effectively?**
- **When should we next review our approach?**

See Appendix for BAEC table of nursery charges.

### **Payment Methods**

**17. Income collection method – does it advantage/disadvantage or encourage/discourage use?**

- a) Is a prompt/advance payment discount appropriate/desirable?**
- b) Is the administrative process involved economic and/or efficient?**

Payment can be made by cash, debit/credit card or cheques and is made termly in advance. The nurseries also accept the Nursery Education grant for 3 and 4 year olds, the grant for 2 year olds and the salary sacrifice scheme.

BAEC has access to a grant, the Learner Support Fund, from the Skills Funding Agency which can be used to support the costs of childcare for learners in receipt of state benefits who are attending approved qualification courses.

### **Other**

**18. Please identify if there are any risks or unintended consequences as a result of the proposals?**

## APPENDIX

## BAEC Nursery Fees 2013/14

	Age	2013/14 with increase
<b>Hourly rate</b>	<b>0 - 2</b>	<b>£7.24</b>
	<b>2+</b>	<b>£6.15</b>
<b>Sessional rate (2.5 hrs)</b>	<b>0 - 2</b>	<b>£25.34</b>
	<b>2+</b>	<b>£21.53</b>
<b>Day rates</b>		
<b>Mon - Thur</b>	<b>0 - 2</b>	<b>£54.33</b>
<b>Fri</b>		<b>£48.87</b>
<b>Mon - Thur</b>	<b>2+</b>	<b>£46.13</b>
<b>Fri</b>		<b>£41.51</b>