

MINUTES OF THE MEETING OF THE CABINET MEMBER SIGNING HELD ON THURSDAY, 6TH JULY, 2017, 4.00 pm

PRESENT:

Councillors: Elin Weston (Chair)

78. FILMING AT MEETINGS

Noted.

79. URGENT BUSINESS

None.

80. DECLARATIONS OF INTEREST

None.

81. THE INTRODUCTION OF NEW FEE ARRANGEMENTS FOR HARINGEY'S MAINTAINED CHILDCARE PROVISION FROM 2017-2018

Councillor Weston considered the report which set out the changes to be introduced across the Council's childcare settings from September 2017. The Cabinet had agreed, in February 2017, a number of proposals for the future fee arrangements for eight childcare provisions maintained by the Council in the borough, which included:

- Removing the Council's involvement in setting the fees for school based early years provision, allowing the four maintained school run childcare provisions to set their own fees.
- Replacing the single fee structure, applied across all four Council-run childcare settings with a new structure where fees may differ from setting to setting.
- Increasing fees for the four Council-run childcare settings from September 2017 in order to generate the levels of income required to mitigate the loss of subsidy funding.

This report requested approval to introduce the new fee structures from September 2017.

Following a brief discussion it was

RESOLVED that

- i) The introduction of a new childcare fee structure for the Council's Stonecroft, Woodside and Triangle centres, as set out at 8.1 of the report, be approved; and**
- ii) The introduction of a lunch fee rate, to be applied across all four Council-run settings, as set out at 8.6 of the report, be approved.**

Reasons for decision

The impact of the introduction of a national funding formula for early years means that, from April 2017, the Council's allocation of Dedicated School Grant (DSG) Early Years Block funding will no longer be able to provide the £1.427m per year subsidy previously used to meet the gap between service delivery costs and fee income.

The proposed changes to the level of fees currently charged in the four Council-run childcare settings will address the gap between fee income and operational costs and support the on-going financial viability of these services.

Alternative options considered

The need to review and revise current fee arrangements arose as a consequence of the introduction by central government of a national funding formula for early years from April 2017. The national funding formula introduced significant changes to the way in which funding for the free early education entitlement is distributed by the Council and included a 7% cap on the amounts of early years Dedicated Schools Grant funding that the Council can centrally retain from April 2017, falling to 5% from April 2018. In previous years, an amount of £1.427m has been agreed with Haringey's Schools' Forum as a subsidy, supporting the eight maintained childcare settings. A direct consequence of the cap was the loss of this £1.427m subsidy from April 2017.

It was anticipated that this loss of funding would have a direct impact on the sustainability of the maintained childcare settings. To this end, a number of options were considered and increasing fee levels across all settings was deemed to be the only viable option to mitigate the loss of subsidy funding. Recognising that a period of transition would be required before the introduction of new fee rates from September 2017, Cabinet agreed in February 2017 that an amount of £0.7m of Dedicated Schools Grant would be set aside to subsidise the maintained childcare provisions for the period April to August 2017.

The introduction of the extended free entitlement offer – up to 30 hours per week over 38 weeks of the year for 3 and 4 year old children in families where both parents are working (or the sole parent in a lone parent household) from September 2017 – will mean that many of the parents currently paying for full day care (up to 35 hours per week), in addition to receiving the 15 hours per week universal free entitlement offer at the maintained settings, will be able to claim the enhanced entitlement for their child, therefore going some way to mitigate the impact of an increase in childcare fees on residents.

An alternative option is to maintain childcare fees at current levels for the financial year, 2017-18. However, there is no budget provision to maintain the current fee level structure and this is not therefore a financially viable option. In addition, it is considered likely to lead to a reduction in the overall levels of provision available as there would be a need to scale down the service offer, and, as a consequence, reduce the number of childcare places available across the maintained childcare settings.

82. NEW ITEMS OF URGENT BUSINESS

None.

CHAIR: Councillor Elin Weston

Signed by Chair

Date