

**Introduction**

Children's Services use Fees and Charges in two main areas – trading arrangements with schools through Service level Agreements and charges for childcare services in Children's Centres. These are explored further below.

**Trading with Schools.**

Trading takes place with schools through Service Level Agreements (SLA) in respect of a range of services typically where resources have been delegated to schools and where they therefore have a choice of whom to purchase services from. There is therefore a balance to be drawn between the cost and quality of services in comparison to those provided by other organisations or individuals.

The council is reviewing all its services to schools and will be ensuring that all schools trading services adopt pricing policies that ensures full cost recovery of the service.

Because of the changes to school funding there are significant uncertainties over the future of services in this area and the approach to trading fees and charges reflects this uncertainty at the present time. Schools are also uncertain about the levels of their funding and some of the discussions around services they would wish to see provided depend on their overall funding levels.

The main areas where trading takes place with schools are detailed below:

<b>Activity</b>	<b>Comments</b>
Supporting School Improvement and Curriculum	Covers advice and guidance to schools on curriculum matters and Continuing Professional Development (CPD) for school based staff

In addition to traded income this activity is supported by Standards Fund, ABG and Other grants such as EMAG, the future of which is uncertain. However, we anticipate that as a minimum the resources in respect of National Strategies is being removed and this forms a significant element of the work in this area. Because of the extent to which these grants complement the work with schools the loss of this funding will have a significant effect on the viability of these services.

As part of the Children's Services budget proposals a fundamental review of all services within the Schools Improvement area is being undertaken. This will be the subject of a separate report to Cabinet. The outcome of that review is highly dependent on the extent to which grant funding is available in the future and meetings have been held with schools already to determine their needs. Because of the effect the removal of grant funding has on all aspects of this work a decision has been taken to issue all staff providing these services with 'at risk' notices. Further discussions are scheduled for early 2011 with all schools invited, however, it is clear

that any trading model which will be adopted will be one which achieves full cost recovery, including overheads. The services may be very different to those provided now.

<b>Activity</b>	<b>Comments</b>
Services to Governing Bodies	The provision of training and support to governors and clerking services to Governing Bodies.

Service to school governing bodies generates around £140,000 of income with around 70% of schools choosing to buy some form of support or clerking service. When overheads are fully reflected, a small deficit is predicted. Discussions are taking place to reduce payments made to clerks for their services which is intended to increase the cost effectiveness of services in this area and ensuring that full costs are covered.

<b>Activity</b>	<b>Comments</b>
Services for Children and Young People	A range of services which supplement curriculum activities e.g. music, swimming, Pendarren House Outdoor Education Centre.

These services are supported in a number of ways additional to trading activities such as from grants including the Dedicated Schools Grant (DSG). These services will form part of the discussions with schools about which services they would wish the Local Authority to provide although again the intention is to achieve full cost recovery. Specific discussions are taking place around the provision of the Outdoor Education Centre at Pendarren House which is currently supported by DSG (and not General Fund) resources. There is no anticipated saving to the general fund from this action.

<b>Activity</b>	<b>Comments</b>
Staffing and Personnel	Personnel support and advice service including payroll, support with recruitment and school based staff absence schemes (maternity, paternity etc.)

Whilst there is currently some general fund support to activities in this areas, reflecting the statutory responsibilities that the Council has as an employer of staff in schools, specific reductions have been included as part of the Children's Service budget savings proposals for 2011-12, which will result in the non-statutory element of the service covering its full costs. The estimated General Fund saving from this action in 2011-12 is £125,000.

<b>Activity</b>	<b>Comments</b>
ICT	Support for curriculum and business Management ICT services

Taking into account the current level of subsidy for this service which has been identified as a 2011-12 saving proposal and the extent to which grant funding, which is not expected to be available in the future, supports this service it is clear that it cannot be made viable without a very significant increase to the fee levels charged; consequently it is proposed to cease to provide this service and instead to assist schools in identifying alternative provision through brokerage arrangements. An estimated General Fund saving of £57,000 in 2011-12 has been assumed in the Children's Services budget savings proposals.

<b>Activity</b>	<b>Comments</b>
Catering	Provides the free and paid meals service for schools

School Meal prices are reviewed on the basis of making changes from the start of the academic year. In September 2010 the price of a meal by the Council's contractor increased by around 3% with the price to parents increasing by around 5%. The difference between the price to parents and the meal cost (the paid meal subsidy) and the cost of free school meals is funded through the Schools' Funding Formula. Historically the catering service has operated with a deficit and the price increases are part of a strategy to eliminate that deficit.

Additional funding available in 2010-11 through the School Lunch Grant may be subsumed into the DSG in 2011-12 and has been used to assist with keeping the price charged to parents low. Further consideration of the trading position will be made in time for charging proposals to take effect from September 2011.

### **Children's Centres**

Children's Centres provide a range of services to children and families including childcare for under 3's and for 3 and 4 year olds receiving childcare services over and above the free entitlement (15 hours per week over at least 38 weeks).

A separate report is scheduled for the Cabinet meeting in February 2011 which will consider the sustainability of Children's Centres; consideration of both the provision and the associated fee charging structure will be made at that time.