

28 January 2010		ITEM 6
Children's Services Overview and Scrutiny Committee		
PROPOSED FEES AND CHARGES 2010/11		
Portfolio Holder:		
Wards and communities affected: All	Key Decision: Not applicable	
Accountable Head of Service: Sean Clark, Head of Corporate Finance		
Accountable Director: Richard Szadziewski, Interim Director of Resources		
This report is Public		
Purpose of Report: To comment on the proposed fees and charges for 2010/11 for services within the Overview and Scrutiny Committee's remit.		

Comment [sj]: PLEASE CLICK THIS BOX ONCE and enter the date of the meeting (in font 16, not capitals)

Comment [sj]: Please leave this for completion by Democratic Services

Comment [sj]: PLEASE CLICK THIS BOX ONCE and enter the name of the Committee you are reporting to (in font 16, not capitals)

Comment [sj]: PLEASE CLICK THIS BOX ONCE and enter the title of your report (in font 16 and in capitals)

Comment [sj]: Please state the name of the Cabinet Member and the Portfolio to which the report refers

Comment [sj]: Please enter details of any Wards and Communities affected by the report. If this section is not applicable, please state 'None'.

Comment [sj]: Yes/No/Not Applicable – a 'Key Decision' is generally one affecting more than 2 wards or above £50,000

Comment [sj]: Please state the Head of Service's name and job title

Comment [sj]: Please state Director's name and job title

Comment [sj]: State whether your report is Public or Exempt. If Exempt (i.e. not to be given to the public) discuss in

Comment [sj]: Briefly set out the purpose of your report

Comment [sj]: Please provide a summary of the key points in your report

Comment [sj]: The recommendations should be set out in bold in the form of the decision that the decision

EXECUTIVE SUMMARY

As part of the budget process each year, the Council needs to review its fees and charges. The future development of the Medium Term Financial Strategy will also need to take account of changes in fees and charges in broad terms over the period of the strategy.

This report sets out information for the Overview and Scrutiny Committee for comment on the proposed fees and charges for 2010/11.

This report proposes increases in fees and charges which in total will increase income streams by £92,000 in 2010/11 and £92,000 over a full year after taking account of current performance against budget and some allowance for non-payment.

1. RECOMMENDATIONS:

- 1.1 **That the Overview and Scrutiny Committee consider the proposed fees and charges for 2010/11 and prepare their comments for the Cabinet to consider on 17 February 2010.**

2. INTRODUCTION AND BACKGROUND:

- 2.1 As part of the budget process each year, the Council needs to review its fees and charges. The future development of the Medium Term Financial Strategy will also need to take account of changes in fees and charges in broad terms over the period of the strategy.
- 2.2 This report sets out information for the Overview and Scrutiny Committee for comment on the proposed fees and charges for 2010/11.
- 2.3 The scope to increase fees and charges is determined by a number of factors, of which the most important are: strategic desirability, government direction, elasticity of demand for services and impact on service users.
- 2.4 Given the proposed Council Tax increase of 3% Directors and Cabinet Members have been given a general framework by the Director of Resources to consider increases in fees and charges in line with the Council Tax increase subject to there being a strong justification to increase fees and charges below or above the 3% guideline.
- 2.5 The assumption used in the early stages of budget planning is an increase in fees and charges of 1% or £109,000 over the Council as a whole.
- 2.6 The Committee may wish to consider the following issues:
 - Whether the justifications for increases above or below 3% are robust.
 - Whether there is a possibility that the cumulative effect of certain increases in fees and charges disproportionately affect a proportion of the community.
 - Whether certain charges should be on the basis of full cost recovery in a market economy where the predominant benefit is to the individual benefitting from the service.
 - Whether a charge for a service represents a balance between a benefit to the individual and a benefit to the community whereby some subsidy is justified.
- 2.7 The Committee's considerations will need to be set in the context that some fees and charges are set by statute and other national or local policies, for example, Fairer Charging for Care.

3. ISSUES AND/OR OPTIONS:

- 3.1 The Appendix to the report shows the detailed proposals for fees and charges for 2010/11. The Appendix shows information as follows:
 - An indicator that is set by statute or other policy is marked *
 - The 2009/10 charge (where this is Nil and there is a charge for 2010/11 this represents a new charge).
 - The proposed 2010/11 charge.

Comment [s]: You should briefly explain why the report is on the agenda - See para. 5.3 and 5.4 of the report writing guidelines.

Comment [s]: Other headings may be appropriate. The report should outline the reasoning that leads to its recommendations and **must** include:

1. a brief summary of options considered;
2. consultation outcomes
3. a risk assessment.
4. Whether the responsible cabinet members have been consulted/contributed to the report (NB professional and political advice must be clearly distinguished)

- See para.5.5 of the report writing guidelines.

- The increase in the proposed charge in absolute and percentage terms.
- Any concessions available to groups or individuals in the community.
- The effective date of implementation of the new fees and charges.

3.2 The main options for the Committee to consider are if there are any strong justifications for increases in fees and charges above or below the 3% guideline.

3.3 The major increases in fees and charges proposed to be below 3%, together with a justification are shown in the table below:

Fee/Charge	Proposed Increase		Justification
	£	%	
Grangewaters – frozen charges	0	0	The fees and charges for 2010/11 are in line with the centre's business development plan, to remain competitive with local centres. Freezing fees is expected to increase income.
B.C.U Canoeing beginners course	-15	-15.8	The structure of the BCU has changed resulting in a less intensive course requiring fewer hours tuition.
Schools Holiday Programme	-10	-33.3	A pilot was run in October half term 2009 which reduced the cost of the provision but increased income by 30%.

3.4 The major increases in fees and charges proposed to be above 3%, together with a justification are shown in the table below:

Fee/Charge	Proposed Increase		Justification
	£	%	
RYA Sailing Level 1 & 2	10	7.7	Fees have not increased for 2 to 3 years and a recent benchmarking exercise revealed that the charges were below the national average.
RYA Powerboat Level 2	40	30.77	Fees have not increased for 2 to 3 years and a recent benchmarking exercise revealed that the charges were below the national average.

3.5 The Committee may also, based on its knowledge of the services in its remit, wish to comment on discretionary services for which a charge could be introduced. Alternatively, the Committee may also wish to consider new discretionary services that could be introduced with a charge at full cost recovery.

3.6 This report proposes increases in fees and charges which, in total, will increase income streams by £92,000 in 2010/11 and £92,000 over the full year after taking account of current performance against budget and some allowance for non-payment. This compares to the budget assumption for 2010/11 of an increase of £16,500.

4. CONSULTATION (including Overview and Scrutiny, if applicable)

4.1 The proposed fees and charges are being reported to all Overview and Scrutiny Committees.

4.2 Directors and Heads of Service will ensure any statutory consultations about increases in fees and charges and this has been built into the anticipated implementation date.

5. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT

5.1 (To be completed by Directors/Finance Managers/Heads of Service)

6. IMPLICATIONS

6.1 Financial

Implications verified by: **Sean Clark**
 Telephone and email: **01375 652010**
sclark@thurrock.gov.uk

The increase in fees and charges set out in the report have been built in the overall 2010/11 budget. Any amendments to these will need to be reviewed by Cabinet at their meeting of 17 February 2010, as part of the overall budget proposals.

6.2 Legal

Implications verified by: **David Lawson**
 Telephone and email: **01375 652087**
dlawson@thurrock.gov.uk

Fees and charges generally fall into 3 categories - Statutory, Regulatory and Discretionary.

Comment [j]: This should include any consultation with Ward Members and Shadow Portfolio Holders, as well as any public or statutory consultation

Comment [a]: Please refer to Section 5.7 of the Report Writing Guidelines

Comment [sj]: This section should always be completed – if they are dealt with fully in another part of the report, they also need a brief cross reference here. The names and job titles of the officers providing the implications should be provided in full – see Guideline 6.1 and please note Democratic Services Deadlines and ensure that officers providing implications are given 5 clear working days to work on the report. Authors can write implications but they must be signed off by the appropriate officers

Comment [sj]: See Guideline 6.2

Comment [sj]: See Guideline 6.3

Statutory charges are set in statute and cannot be altered by law since the charges have been determined by Central Government and all authorities will be applying the same charge.

Regulatory charges relate to services where if the Council provides the service, it is obliged to set a fee which the Council can determine itself in accordance with a regulatory framework. Charges have to be reasonable and must be applied across the borough.

Discretionary charges relate to services which the Council can provide if they choose to do so. This is a local policy decision. The Local Government Act 2003 gives the Council power to charge for discretionary services, with some limited exceptions. This may include charges for new and innovative services utilising the power to promote environmental, social and economic well-being under section 2 of the Local Government Act 2000. The income from charges, taking one financial year with another, must not exceed the costs of provision. A clear and justifiable framework of principles should be followed in terms of deciding when to charge and how much, and the process for reviewing charges.

A service may wish to consider whether they may utilise this power to provide a service that may benefit residents, businesses and other service users, meet the Council priorities and generate income.

Decisions on setting charges and fees are subject to the Council's decision-making structures. Most charging decisions are the responsibility of the Cabinet, where they are key decisions. Some fees are set by full Council.

6.3 **Diversity and Equality**

Implications verified by: **Samon DeAlyn**
 Telephone and email: **01375 652472**
sdealyn@thurrock.gov.uk

The Council has a statutory duty under the Race Relations Act 2000 (Amendment), the Disability Discrimination Act 2005 and Sex Discrimination Act 1975 (Amendment) to promote equality of opportunity in the provision of services and employment. Decisions on setting charges and fees are subject to the Council's decision-making structures. It should be noted that any increase in charges have been identified where the fees have not increased for 2 to 3 years and a recent benchmarking exercise revealed that the charges were below the national average. Concessions should be available to groups or individuals in the community, where the increase may result in them being excluded from particular activities

Comment [sj]: See Guideline 6.4

6.4 **Other implications (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental**

click this box once and type any other implications that are relevant to this report

(Please include a risk assessment for the achievement of the income targets)

7. **CONCLUSION**

7.1 This report proposes increases in fees and charges which in total will increase income streams by £92,000 in 2010/11 and £92,000 over the full year after taking account of current performance against budget and some allowance for non-payment.

7.2 The Committee is asked to review the proposals and make its comments known to the Cabinet meeting on 17 February 2010.

APPENDICES TO THIS REPORT:

- Proposed Fees and Charges 2010/11

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E-mail: ystupples-whyley@thurrock.gov.uk

Comment [sj]: This should inform the recommendations in the report

Comment [sj]: List the Appendices referred to in the Report

Comment [sj]: Insert the full contact details of the author of the report