

17 January 2017		ITEM: 6
Health and Wellbeing Overview & Scrutiny Committee		
Fees & Charges Pricing Strategy 2017/18		
Wards and communities affected: All	Key Decision: Key	
Report of: Carl Tomlinson, Finance Manager		
Accountable Head of Service: Les Billingham, Head of Adult Social Care		
Accountable Directors: Roger Harris, Corporate Director of Adults, Housing and Health		
This report is public		

Executive Summary

Local Authorities are involved in a wide range of services and the ability to charge for some of these services has always been a key funding source to Councils.

This report specifically sets out the charges in relation to services within the remit of this Overview and Scrutiny Committee. Charges will take effect from the 1 April 2017 unless otherwise stated.

In preparing the proposed fees and charges, Directorates have worked within the charging framework and principles set out in the report.

The full list of proposed charges is detailed in Appendix 1 to this report.

1. Recommendations

- 1.1 That Health and Wellbeing Overview and Scrutiny Committee note the revised fees and charges proposals.**
- 1.2 That Health and Wellbeing Overview and Scrutiny Committee comment on the proposals currently being considered within the remit of this committee.**

2. Background

- 2.1 The paper describes the fees and charges approach for the services within the Health and Wellbeing Scrutiny Committee remit for 2017/18 and will set a platform for certain pricing principles moving forward into future financial years.
- 2.2 The paper provides narrative for the following areas. Relevant service income targets are summarised below:

Service: £000's	Actual 15/16	Budget 16/17	Budget 17/18
Day Care	47	43	44
Extra Care	12	22	23
Blue Badges	28	36	37
Meals on Wheels*	109	231	238
Community Development	-	7	7
TOTAL	196	339	349

*The movement between 15/16 and 16/17 is due to a rebate received in year

3. Thurrock Charging Policy

- 3.1 The strategic ambition for Thurrock is to adopt a policy on fees and charges that is aligned to the wider commercial strategy and ensures that all discretionary services cost recover.
- 3.2 Furthermore, for future years, while reviewing charges, services will also consider the level of demand for the service, the market dynamics and how the charging policy helps to meet other service objectives.
- 3.3 When considering the pricing strategy for 2017/18 some key questions were considered:
 - Where can we apply a tiered/premium pricing structure
 - How sensitive are customers to price (are there areas where a price freeze is relevant)
 - What new charges might we want to introduce for this financial year
 - How do our charges compare with neighbouring boroughs
 - How do our charges compare to neighbouring boroughs and private sector competitors (particularly in those instances where customers have choice)
 - How can we influence channel shift
 - Can we set charges to recover costs
 - What do our competitors charges
 - How sensitive is demand to price
 - Statutory services may have discretionary elements that we can influence
 - Do we take deposits, charge cancellation fees, charge an admin fee for duplicate services (e.g. lost certificates.)

4. Proposals and Issues

- 4.1 The fees and charges for each service area have been considered and the main considerations are set out below.

- 4.2 A council wide target of £0.350m has been proposed within the MTFS for additional income generation in respect of fees and charges income for 2017/18.
- 4.3 The domiciliary care and meals on wheels service is being re-procured in 2017/18, therefore the current fee structure remains pending the outcome of the procurement exercise, and subsequent consultation exercise of charging arrangements, in October 2017.
- 4.4 For day service charges there is already an increase built into 2017/18 and 2018/19 as part of the consultation exercise and Cabinet agreement from February 2016.
- 4.5 Residential charges are set nationally and remain unchanged from 2016/17.
- 4.6 Community Development income relates to hire charges in the South Ockendon Centre.
- 4.7 There is a separate report on the March 2017 committee agenda relating to the charging arrangements for dispersed alarms.

5. Reasons for Recommendation

- 5.1 The setting of appropriate fees and charges will enable the Council to generate essential income for the funding of Council services. The approval of reviewed fees and charges will also ensure that the Council is competitive with other service providers and neighbouring councils.

6. Consultation (including Overview and Scrutiny, if applicable)

- 6.1 Consultations will be progressed where there is specific need. However, with regard to all other items, the proposals in this report do not affect any specific parts of the borough. Fees and charges are known to customers before they make use of the services they are buying.

7. Impact on corporate policies, priorities, performance and community impact

- 7.1 The changes in these fees and charges may impact the community; however it must be taken into consideration that these price rises include inflation and no profit will be made on the running of these discretionary services.

8. Implications

8.1 Financial

Implications verified by: **Carl Tomlinson**
Finance Manager

Additional income will be generated from increases but this is variable as it is also dependent on demand for the services. Increases to income budgets have been built into the MTFS.

8.2 Legal

Implications verified by: **David Lawson**
Monitoring Officer

Fees and charges generally fall into three categories – Statutory, Regulatory and Discretionary. 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 cost 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 Cabinet, where there are key decisions. Some fees are set by full Council.

8.3 Diversity and Equality

Implications verified by: **Becky Price**
Community Development Officer

The Council has a statutory duty under the Race Relations Act 2000 (Amendment), the Disability Discrimination Act 2005 and the 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. Concessions should be available to groups or individuals in the community, where the increase may result in them being excluded from particular activities.

8.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

None applicable.

9 Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

None.

10 Appendices to the Report

Appendix 1 – Schedule of Proposed Fees and Charges for 2017/18.

Report Author:

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Finance Manager