

19 January 2016

ITEM: 5

Children's Services Overview and Scrutiny Committee

Fees and Charges 2016/17

Wards and communities affected:

All

Key Decision:

Non-key

Report of: Mike Jones, Strategic Resources Accountant

Accountable Head of Service: Sean Clark, Head of Corporate Finance

Accountable Director: Lyn Carpenter, Chief Executive

This report is public

Executive Summary

This report details the proposed new fees and charges for Thurrock Council with effect from 1 April 2016.

The paper provides narrative for the discretionary charges relating to Children's Services. It is to be noted that there is a wider review of commercial opportunities across the Council in progress. Any proposed price changes proposed as part of the wider review will be managed under the delegated authority of the Chief Executive and relevant Cabinet Member (where appropriate.)

1. Recommendation(s)

1.1 That the committee consider the proposed charges as detailed in the appendix.

2. Introduction and Background

2.1 In reviewing the fees and charges for 16/17 officers (where practicable) have ensured cost recovery of discretionary activities while at the same time undertaken a benchmarking exercise against neighbouring authorities.

2.2 The table below highlights the actual (14/15) and forecast (15/16) income from external fees and charges.

Service Area	Actual 14/15 £000's	Budget 15/16 £000's	Forecast ¹ 15/16 £000's
Adults	7,463.0	8,358.6	8,254.6
Thameside Theatres	471.4	346.7	425.0
Children's Services	4,881.9	5,248.3	5,204.3
Environment	681.9	739.8	846.7
Legal Services ²	119.8	84.5	124.9
Registrars	234.4	155.8	213.4
Commercial Hall Hire	88.5	82.6	83.9
Public Protection	363.8	337.8	378.7
Housing (General Fund)	844.1	744.5	786.0
Transport & Highways	949.7	994.8	1,109.8
Planning & Developments	1,709.1	1,449.2	1,865.8
TOTAL	17,807.6	18,542.6	19,293.1

- 2.3 In setting the fees for 16/17, a total growth of £775k has been applied that equates to a stretch target of £600k and £175k previously agreed at the first phase of the MTFS process, the following tables provides a high-level reconciliation.

Description	Amount £000's
Budget 15/16	18,542.6
1% uplift on existing fees & charges (bud 15/16)	185.4
<u>Rebaseline budgets to actual performance for 15/16</u>	
➤ Registrars (Fcst Outturn £213.4k in 15/16)	68.0
➤ Environments (Fcst Outturn £846.7k in 15/16)	102.0
➤ Thameside Theatre(Fcst Outturn £425k in 15/16)	75.0
➤ Growth in Grangewaters Income	20.0
➤ Parking Charges Increase	150.0
<u>MTFS Items previously agreed</u>	
➤ Filming/Sponsorship	100.0
➤ Growth in Legal Traded Services	50.0
➤ Increases in Planning Fee Income	25.0
TOTAL EXTERNAL INCOME BUDGET 16/17	19,318.0

Service Area	Budget 15/16 £000's	1% uplift £000's	Growth Items £000's	Budget 16/17 £000's
Adults	8,358.6	83.6		8,442.2
Thameside Theatres	346.7	3.5	75.0	425.0
Childrens Services	5,248.3	52.5	20.0	5,320.8
Environments	739.8	7.4	102.0	849.2
Legal Services	84.5	0.8	50.0	135.4
Filming & Sponsorship			100.0	100.0
Registrars	155.8	1.5	68.0	225.0
Commercial Hall Hire	82.6	0.8		83.9
Public Protection	337.8	3.4		341.1
Housing General Fund	744.5	7.5		751.9
Transport & Highways	994.8	9.9	150.0	1,154.8
Planning& Growth	1,449.2	14.5	25.0	1,488.7
TOTAL	18,542.6	185.4	590.0	19,318.0

- 2.4 As part of the commercial transformation work that is in progress, detailed sales and marketing plans will be developed for each service area.
- 2.5 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.
- 2.6 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 Issues, Options and Analysis of Options

- 3.1 The fees and charges for each service area have been considered and the main considerations are set out in this section.
- 3.2 **Children's Services**
- 3.2.1 In recent years the external income achieved for Children's Services (including libraries) is highlighted below.

	14/15 Actual £000's	15/16 Budget £000's	Forecast 15/16 £000's	16/17 Target £000's
Catering	2,982.9	2,930.8	2,515.7	2,960.2
Libraries	86.4	88.1	83.9	88.9
Grange waters	175.8	376.4	293.2	400.1
Other Youth Related Activities	1,636.8	1,853.1	2,091.6	1,871.6
Total CHS	4,881.9	5,248.4	5,204.4	5,320.8

- 3.2.2 It is to be noted that in September 2015 Children's Overview and Scrutiny Committee approved a report to be presented to Cabinet January 2016 to spin-out Youth Related Services (including Grangewaters Outdoor Activity Centre.) The proposal results in a 5% reduction from year two of the contract leading to a total saving of 20% over a five year period. To contribute towards the proposed reduction a stretch target of £20k has been allocated towards Grangewater Outdoor Activity Centre for 16/17.
- 3.2.3 The income levels from the existing library offer is targeted as per budget levels for 15/16, this is largely due to the reduction in opening hours implemented in October 2015. Work will now progress to develop a Thurrock Libraries Sales & Marketing plan.
- 3.2.4 It is to be noted that Catering Services remains as the highest income activity that is traded to schools, further work will be undertaken to ensure that all council services are actively marketed to schools.
- 3.2.5 The existing and proposed charges are set out in the Appendix.

4 Reasons for recommendation

- 4.1 The fees and charges for Thurrock Council are updated annually and agreed by Cabinet. This report has come to this committee for scrutiny and for members to understand the impact on the budgets within particular service areas.

5 Consultation

- 5.1 Consultations are in progress with regard to some of the proposed changes outlined in Adult Social Care and Parking. However, with regard 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.

6 Impact on corporate policies, priorities, performance and community impact

- 6.1 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.

7 Implications

7.1 Financial

Implications verified by: **Mike Jones**
Management Accountant

7.1.1 The increase in fees and charges set out in the report have been built into the overall 2016/17 budget.

7.2 Legal

Implications verified by: **Daniel Toohey**
Principal Solicitor, Contracts and Procurement

7.2.1 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.

7.2.2 Regulatory charged 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.

7.2.3 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.

7.2.4 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.

7.2.5 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.

7.3 Diversity and Equality

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

7.3.1 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.

7.3.2 Decisions on setting charged 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.

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

None applicable

8. **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

9. **Appendices to the report**

- Appendix 1: Children's section of the Draft Fees and Charges Booklet 2016/17.

Report Author:

Mike Jones

Strategic Resources Accountant

Corporate Finance