

PEOPLE COMMITTEE

12 SEPTEMBER 2018

REPORT OF DIRECTOR FOR CORPORATE SERVICES

A CORPORATE REVIEW OF CHARGES 2019-20

1.0 PURPOSE OF REPORT

- 1.1 To provide information on the various fees and charges that are agreed by this committee.
- 1.2 To recommend changes to these charges to operate from 1st April 2019.

2.0 RECOMMENDATIONS

- 2.1 **That the Committee determines the level of charges for 2019-20 for each of the services set out in the attached table to operate from 1st April 2019.**
- 2.2 **That the council be requested to update the scheme of delegation as required under para 3.6.2 to provide delegated authority to the Deputy Chief Executive to determine charges for activities delivered under Sports Commissioning Plan.**
- 2.3.1 **That the council be requested to update the scheme of delegation as required under para 3.11.7 to provide delegated authority to the Deputy Chief Executive to determine charges for emergency accommodation in line with benefit subsidy rates.**

3.0 BACKGROUND

All charges

- 3.1 As set out in the constitution only new proposed charges or charges that were proposed to be increased above or below inflation are considered by members. As such statutory charges have not been included within the report for consideration by members. Those that are increased in line with inflation are approved by the Director for Corporate Services under delegated authority and there are none to approve.
- 3.2 Appendix A shows the proposed charges for services that fall outside delegated authority. The table also summarises the financial objective of the current charging policy, the existing charges, the current level of any subsidy and the reason for the recommended charge.
- 3.3 There is a charging policy included in the MTFIS; this should be used as a guideline when setting fees and charges.
- 3.4 As part of the review budget holders are asked to complete a “review of charges form for 2019-20” for each distinct charging area. The aim of this process is to gather background information to the charges being reviewed. A set of completed forms are held electronically and can be viewed at the meeting.

3.5 Lifeline

- 3.5.1 The service is in direct competition with other providers, and with the Lifeline telephone there is a nil increase recommended following a benchmarking exercise. The proposed new charge will assist in retaining the current level of customers using the private lifeline service, yet provide additional income in offsetting the initial setup cost of the service. This will contribute to the commercialism agenda of the Council in assisting to provide additional income to the service. It is anticipated that the recent merging of the Lifeline and Timesage elements of the assistive technology services offered by the Council will allow for increased growth in the service throughout 2019/20.

3.6 **Strategic Sports**

- 3.6.1 There are various sports activities provided under the commissioning plan. The activities provided change regularly and the charges are set based on the activity with income being reinvested in sports activities delivered under the plan. Therefore a definitive list of activities is not included for approval. A list of current charges is available electronically and can be viewed at the meeting.
- 3.6.2 When setting the charges there are conditions that are applicable. Cost recovery is the minimum expectation, however, some activities are provided free of charge as funded through the commission plan grant, benchmarking is undertaken and when any increases are introduced consultation is undertaken with service users. As there is no current delegation in place to determine these charges outside of the Committee, it is requested that delegated authority is given to the Deputy Chief Executive to determine charges for activities delivered as part of the Commissioning Plan.
- 3.6.3 The activities are compiled based on priorities identified by Sport England, Leicestershire & Rutland Sport & Public Health as identified in their strategies through consultation/surveys that are reported each year. Further activity interventions are compiled based on local need within Melton Borough which are identified by officer consultation and also by local priorities identified by Melton Borough Council.'
- 3.6.4 It should be noted that the proposed charges are expected to generate a small amount of additional income which will be invested back into the Commissioned activities and subsidy services for vulnerable residents/priority neighbourhoods which meet Corporate objectives identified.

3.7 **Waterfield Leisure Centre**

- 3.7.1 Waterfield Leisure Centre fees and charges are under this Committee's remit however, SLM manage this site and has proposed these fees accordingly. The income from delivering these services is retained by SLM and their proposal is based on an inflation only increase at only 1% (compared to the Council's proposed inflation increase of 2.5%).
- 3.7.2 See Appendix B with proposed charges.

3.8 **Melton Sports Village**

- 3.8.1 SLM Ltd manages the Melton Sports Village and determines the fees and charges under this remit. The fees and services have remained the same, or increased by SLM's inflation allowance of only 1% where underneath the benchmarking boundaries. Please refer to Appendix D to see the proposed charges.

3.9 **Free Services**

- 3.9.1 With the exception of the concessions as highlighted in Appendix A, services which have been put forward by budget holders as provided free of charge are detailed in Appendix C where budget holders have provided an explanation as to why charges have not been introduced.

3.10 **Leases and Licenses**

It should be noted that there are leases and licenses associated with this committee and where these have been agreed on a long term basis they have not been included within the report.

3.11 **Homelessness**

- 3.11.1 It should be noted that the Private Leased Property charge will increase/decrease in line with the Government Policy for rents and will be brought to this Committee in January as part of the HRA budget setting report.
- 3.11.2 The cost of emergency accommodation (B & B) has remained relatively static over the past two years, despite the advent of the Homelessness Reduction Act in April 2018 which

increased the responsibility of Authorities to work with residents in a proactive and preventative way.

- 3.11.3 Despite this plateauing of demand for B&B accommodation, the Council continues to make a loss against each night a resident spends in B&B as a result of a homelessness application. The loss is incurred in two ways:
1. The full nightly rate is not passed on to the resident in the accommodation
 2. The Housing benefit award is higher than the subsidy rate received from central government.
- 3.11.4 The subsidy rate is the element of the benefit which MBC receives back from central government, and above which level, any cost is a loss to the Council. As a result, the loss is therefore held across both the homelessness budget (element 1) and the Housing Benefit budget (element 2).
- 3.11.5 It is therefore proposed that the nightly charge to the occupier is altered from the Housing Benefit rate to the HB subsidy rate, eliminating the loss within the Housing Benefit budget, and consolidating all costs within the homelessness budget. This proposal will not change the income to the Council; however, consolidating the budget within the homelessness section will allow easier management and monitoring of costs.
- 3.11.6 In circumstances where no HB is entitled the loss is negligible due both to the number of cases and the ability to pay which results in charges to be written off.
- 3.11.7 That delegated authority is given to the Deputy Chief Executive to determine charges for emergency accommodation in line with Benefit subsidy rates.

4.0 POLICY & CORPORATE IMPLICATIONS

- 4.1 The fees and charges set out in this report are the ones that do not meet the charging policy set in line with corporate and service objectives; these vary according to the service provided. More detailed explanations on each service's corporate implications can be found on the forms available at the meeting.

5.0 FINANCIAL & OTHER RESOURCE IMPLICATIONS

- 5.1 Financial and resource implications have been addressed within paragraph 3. Once approved, these charges will be built into the 2019/20 revenue budget process.
- 5.2 Some services include chargeable and non chargeable elements. In line with the charging policy, the best estimate of under/over recovery of costs is included in Appendix A. Members may wish to review whether it is appropriate for those services receiving a subsidy to continue to do so.
- 5.3 Local Government funding continues to be reviewed and there is great uncertainty surrounding funding in later years although almost certainly will be reduced. This is reflected in the Council's MTFs and places a greater onus on the Council to seek to maximise its income from other sources.

6.0 LEGAL IMPLICATIONS/POWERS

- 6.1 Local Authorities have a variety of powers to charge for specific statutory services set out in statute. The Local Government Act 2003 provides a power to trade and a power to charge for discretionary. The power to charge for discretionary services is not available to local authorities if there is a statutory duty to provide the service, if there is a specific power to charge for it or if there is a prohibition on charging.
- 6.2 Additionally, the Localism Act 2011 provides local authorities with a general power of competence that confers on them the power to charge for services but again subject to conditions/limitations similar to those noted above.
- 6.3 Where authorities have a duty to provide a statutory service free of charge to a certain standard, no charge can be made for delivery to that standard, however delivery beyond

that point may constitute a discretionary service for which a charge could be made but again subject to conditions/limitations similar to those noted above.

All items/services listed in the appendices are pursuant to a power to provide the relevant service whether it is provided because of a statutory obligation to do so, or on a discretionary basis where the authority is not obliged to provide the service but can choose to do so. In relation to the latter, an authority charging for such services would do so on a cost recovery basis, pursuant to the Local Government Act 2003/Localism Act 2011

7.0 COMMUNITY SAFETY

7.1 There are no direct links to community safety arising from this report.

8.0 EQUALITIES

8.1 An equalities impact assessment (EIA) has been completed for the charging policy previously agreed by PFA. The EIA has been reviewed in conjunction with the updated charging policy. The main implication arising is the need for service areas to undertake their own EIA for the charges they are responsible for to ensure the appropriate equalities considerations have been taken into account when setting the fees and charges.

9.0 RISKS

9.1 A possible risk to the Council is that budgeted revenue income may not be achieved if services are not taken up due to any charges increase. Income budgets are regularly monitored and where a downturn in demand is identified appropriate action is taken.

10.0 CLIMATE CHANGE

10.1 There are no climate change issues directly arising from this report.

11.0 CONSULTATION

11.1 Budget Holders carried out the review with the assistance of the Service Accountant as required with reference to current budget monitoring protocols.

12.0 WARDS AFFECTED

12.1 All wards are affected.

Contact Officer: Jaz Bassan
Date: 7th August 2018
Appendices: Appendix A – Review of Fees and Charges
Appendix B – Waterfield Leisure Centre
Appendix C – Free Services
Appendix D – Melton Sports Village

Background Papers: Forms for the Review of Charges
Charging Policy

Reference: X:\Cttee, Council & Sub Cttees\PEOPLE\2018-19\120918\DG – Review of Charges