

	<p>Executive 16th February 2009</p> <p>Report from the Director of Finance and Corporate Resources</p>
Wards Affected: All	
<p>Review of fees and charges for 2009/10</p>	

Forward Plan Ref: F&CR-08/09-18

1.0 Summary

- 1.1 This report sets out the proposed fees and charges for council services in 2009/10. Both the Audit Commission and government ministers have encouraged councils to look at ways of optimising income from fees and charges to help them manage pressure on resources. The proposals in this report apply an average 5% increase to fees and charges for most services although this may vary across a particular service because of rounding issues or the need to correct previous anomalies. There are some exceptions which are detailed in the report. All additional income from fees and charges is being used to re-invest in services or keep the council tax increase down.

2.0 Recommendation

The Executive is recommended to:

- 2.1 Agree the proposed fees and charges set out in Appendix A to apply from 1 April 2009 (unless otherwise stated);
- 2.2 Defer decisions on changes to the basis of care charges which were subject to a recent consultation pending the council giving consideration to the responses to the consultation;
- 2.3 Note the approach that has been taken to the introduction of new VAT rates.

3.0 Detail

- 3.1 The council's approach to fees and charges in recent years, informed by a best value review carried out in 2004, has been to:
- a. Be clear about the purpose of individual fees and charges and the way they fit into corporate and service strategies by differentiating between those that the council wishes to subsidise in order to help deliver its strategies and those that are set on the basis of cost recovery or market rates.

- b. Use the powers in the 2003 Local Government Act to introduce new charges where it is considered appropriate.
 - c. Recognise that, where there is a choice between increased fees and charges to users of services, and either reductions in services or increases in council tax, the results of resident surveys have shown a preference for increases in charges over the other two options.
- 3.2 Officers are currently reviewing the approach taken in light of announcements by Government ministers that councils should be looking to increase income they raise through fees and charges, work by the Audit Commission on optimising fees and charges, and work carried out by PricewaterhouseCoopers on fees and charges in 2008/09. A draft policy was considered by the Budget Panel in November 2008 and officers are carrying out further work on this, taking into account the issues raised by members of the Panel. A business case is also being put together by PricewaterhouseCoopers setting out how the council can generate more income from advertising and sponsorship by taking a more strategic approach to generation of income in this way and, where possible, addressing barriers that have limited the council's capacity to deliver income in this way in the past. Clearly current economic conditions mean opportunities in the short term are more limited but the new arrangements will provide a basis for the council being ready to take advantage of further opportunities that arise after the economy moves out of recession.
- 3.3 Appendix A to this report sets out proposed fees and charges for council services in 2009/10. It excludes parking charges which were agreed for consultation by the Executive in November 2008, charges set by government such as planning fees, charges for room hire and copying which are delegated to officers under the Constitution, and internal charges between council services. It also excludes cemeteries charges which need to be aligned between Brent and Harrow following transfer to the council of responsibility for management of Harrow Council's cemetery at Carpenders Park which is adjacent to the Brent Cemetery. This will have a knock-on effect to prices charged at other cemeteries in Brent and it is proposed that there is a separate report to the Executive in March on these changes.
- 3.4 An average increase of 5% has been applied to most of the services included in Appendix A although this may vary across a particular service because of rounding issues or the need to correct previous anomalies. The 5% increase is in line with increases in pensions and other state benefits from 1st April 2009 based on increases in the Retail Prices Index in September 2008.
- 3.5 Exceptions to the average 5% increase have been made where current charges are based on market rates and they are out of line with the market. Charges for use of the Paul Daisley Hall have increased by more than 5%, whilst charges for use of approved premises for weddings and the nationality checking service have increased by more than 5% in some instances and less in others, and charges for day nurseries have been frozen. New charges are proposed within Building Control for street naming and numbering and within Environmental Health for contaminated land enquiries. In the case of Pest Control, a flat rate £10 increase is proposed across the board with a £10 discount for payment by debit card at the time of booking to reduce the

number of abortive visits which are adding significantly to the costs of the service.

3.6 The council recently issued consultation on proposed changes to the basis for care charges. The consultation has been extended to 19th March after which a decision will be taken on whether to go ahead with the proposed changes. The issues covered in the consultation are as follows:

- to introduce a charge for day care of £3.75 per day (or part of a day) currently there is no charge for day care or transport
- to charge for re-enablement care on the same basis as homecare (currently £16.65 per hour)
- to increase the charge for care in extra care sheltered schemes to £116.55 per week (from £39.50 per week now)

It is proposed that existing care charges are subject to the average 5% increase applying to other services and these increases are reflected in Appendix A.

3.7 As part of his pre-budget statement in November 2008, the Chancellor of the Exchequer announced a temporary reduction in VAT from 17.5% to 15% to apply from 1st December 2008 to 31st December 2009. The council is required to add VAT to charges it makes for services where these services are considered to be 'business'. This means for example that off-street parking charges are VATable but on-street parking charges are not VATable. In cases where VAT is part of an all-inclusive charge, such as off-street parking, the administrative cost and confusion of changing charges to reflect the temporary change in VAT rates would offset any savings to members of the public and therefore no amendments have been made to charges to reflect the VAT change. Where VAT is calculated on top of the charge made – for example, building control – the charges made reflect reductions in VAT. There is a one-off saving to the council from not applying the VAT reduction to inclusive charges. This amount will be identified and available for use on a one-off basis to improve services.

4.0 Financial Implications

4.1 Savings from the application of a 5% average increase in charges have been taken into account in the Council Tax and Budget report elsewhere on this agenda. Additional income from adult care charges are being used to fund additional costs within the service. In other cases they are either offsetting loss of income as a result of the recession or are contributing to savings targets.

4.2 The total impact of the temporary reduction in VAT from 17.5% to 15% if it was applied to all charges made by the council is estimated at £178k over thirteen months. This saving applies to schools and other council services. The saving will be passed on to customers where VAT is added to the charge. Where VAT is part of an inclusive charge, the saving will either pass to schools or be retained by other council services. The amount retained by council services will be used on a one-off basis to improve services. At this stage it is not possible to estimate what this amount will be.

5.0 Legal Implications

- 5.1 Paragraph 3.1 (o) of Part 4 of the Constitution removes from the delegated authority of any officer a decision which relates to the setting, levying or increase of any fees or charges to any member of the public in respect of a Council service (other than room lettings and copying charges). It is therefore necessary for members to agree most of these changes. Members are also able to agree those which could be otherwise determined at officer level.
- 5.2 Charges can only be imposed where there is a legal power to do so but such powers are contained in various Acts and regulations. The Local Government Act 2003 introduced a new general power for local authorities to charge for discretionary services provided criteria in legislation are met and guidance is taken into account. The necessary regulations and the associated guidance in relation to powers to charge have been in place since November 2003. Where these powers are relied upon the amount that may be charged is restricted to an amount which taking one year with another enables the council to recover its costs but does not mean a profit will be made.
- 5.3 Pursuant to Section 22 (1) of the National Assistance Act 1948, the local authority has a duty to charge for residential accommodation (to include nursing care) provided under Part III of that Act.
- 5.4 The Charges for Residential Accommodation Guide (known as CRAG) is guidance that has been issued by the Secretary of State under section 7(1) of the Local Authority Social Services Act 1970. CRAG offers local authorities guidance on the procedure for charging adults placed by local authorities in residential accommodation. This guidance must therefore be followed in all but the most exceptional of circumstances.
- 5.5 The local authority is required to charge service users at “standard rate”, to be fixed by the authority or, if the resident does not have the resources to pay at the standard rate, a lower means tested rate. The authority is responsible for the full cost of the placement and the service user then makes a contribution to the authority.
- 5.6 In some circumstances, relatives may choose to contribute to fees to enable a resident to stay in a home of his or her choice when the local authority is not prepared to meet the fees of that home in full. See: the National Assistance Act 1948 (Choice of Accommodation) Directions 1992.
- 5.7 The power of local authorities to charge for non-residential community care services is contained in section 17 of the Health and Social Services and Social Security Adjudications Act 1983 (HASSASSA). This provision gives the authority discretion to impose a charge on the person in receipt of the service. This includes meals on wheels. The authority may impose such charge as it considers reasonable in all the circumstances.
- 5.8 Section 17 of HASSASSA does not specifically require the local authority to have regard to the cost of the service or the means of the recipient in determining the level of charge. However, such considerations will be among those that it would be prudent for the authority to take into account in determining what level of charge is reasonable.
- 5.9 Guidance for local authorities when charging for home care and other non – residential community care services, known as “Fairer Charging Policies for

Home Care and Other Non-Residential Social Services”, has been issued by the Secretary of State under section 7 of the Local authorities Social Services Act 1970.

- 5.10 It is to be noted that there is no power for local authorities to charge for services to recipients of aftercare under section 117 Mental Health Act 1983 even when such aftercare includes residential accommodation or for Intermediate Care or Assessment and Care Management.
- 5.11 With regard to references in this report to recovery of court costs, Members should note that this is not technically a fee or a charge but relates to actual cost recovery.
- 5.12 Legal Services will review all of the proposed new charges to ensure that they are lawful and within the council’s powers.

6.0 Diversity Implications

- 6.1 The general duty under s49A Disability Discrimination Act 1995 is to broadly to promote equality of opportunity between disabled persons and other persons. The proposals in this report have been subject to screening and officers believe there are no diversity implications, which require partial or full assessment.
- 6.2 Whilst increased charges could theoretically deter some disadvantaged groups, officers do not think that the proposed increases will be sufficient to prevent such groups from taking up the services. Concessions to the fee structure are made in some instances for those in the community who are in the most need.

7.0 Staffing Implications

- 7.1 None specific

8.0 Background Papers

- 2009/10 Budget and Council Tax – report on this agenda
- Positively Charged – Maximising the Benefits of Local Public Service Charges – Audit Commission January 2008

9.0 Contact Officers

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