



Leicester
City Council

WARDS AFFECTED
All

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

**OSMB
Cabinet**

**7th December 2010
13th December 2010**

Review of Fees and Charges

Report of the Chief Finance Officer

Purpose of Report

- 1.1. Following the substantial cuts outlined for local government from the comprehensive spending review and the increase in VAT due to be implemented in January 2011, it is considered that members may wish to review some charging policies early so that for some charges at least, the Council can avoid double price rises. Implementing price rises in January 2011 rather than April would however anticipate some budget decisions.

2. Recommendations

- 2.1. It is recommended that Directors be given discretion to increase fees and charges from 1st January 2011 rather than April 2011 in consultation with the appropriate Cabinet lead.
- 2.2. It is also recommended that the specific increases in fees and charges in the areas listed in paragraph 3.3 and Appendix A be implemented from January 2011.

3. Principles

- 3.1. The usual policy for fees and charges is that most increases are implemented at the start of each financial year, though this is not always the case, for example sports charges are normally increased in January. However, it is proposed that for the current year, the increase for a number of fees and charges is brought forward from 1st April 2011 to January 2011 so that the increased income can be collected for an additional quarter to assist with budgetary pressures and to avoid some double price rises as a result of the increase in VAT.
- 3.2. It should be noted that Directors have discretion over appropriate levels of fees and charges and that nothing is proposed to be different to normal except where otherwise stated.
- 3.3. Specific changes which have been proposed as part of budget savings proposals are as follows, with details shown in appendix A.

- Bereavement services

- Social Care and Health services
- Registration Services

4. Report

4.1 The proposal to increase some fees and charges from January 2011 rather than April which is the usual case for many (though not all) such changes would generate additional income in the final quarter of the 2010/11 financial year as well as avoiding some element of double increases due to the January VAT increase. The proposed areas where fees and charges are specifically proposed to be increased from January are as follows:

4.2 Registration Services

Marriage and other ceremonial fees which are set by the local authority are proposed to be increased as part of the budget savings proposals. These could be brought forward to January 2011, though it is expected that such changes will only save approximately £3,000 p.a.

4.3 Social Care and Health Services

Social care and health services are to be reviewed in the new year as part of the move to personal budgets, and changes resulting from this will be subject to consultation. However, there is still a need for an interim review of fees and charges in advance of this, with changes from 3rd January 2011. The schedule of these charges is listed within Appendix A, although many are not proposed to be changed as part of this exercise. The main changes are:

1. Increase to full cost service users in City Council elderly persons homes from £402 to £414 per week. This would generate an estimated £28,000 in a full year.
2. Increase charges for mobile meals and meals in day centres or at EPH's for non-residents from £2.85 to £2.95. This would generate an estimated £3,500 in the final quarter of 2010/11 and £14,000 in a full year.
3. Increase the standard charge for home care services from £9.15 per hour to £11.25 per hour which is a significant increase (23%). This proposed change would generate an additional £200,000 p.a. to support the 2011/12 budget. The proposed charge of £11.25 per hour compares to a charge of £13 per hour by the County Council.

4.4 Bereavement Services

It is proposed to increase non cremation charges by 12.5% which is approximately 10% greater than inflation. This would generate an estimated £80,000 in a full year.

4.5 Sports

It is proposed to increase sports charges on January 1st by an average of 5% which includes the 2.5% VAT increase. These increases are needed to help meet shortfalls in income.

4.6 Investing in our Children

It is not proposed to increase schools related fees and charges from 1st January 2011 as there is need to consult about most changes, and they are not subject to VAT. Similarly, non schools related charges are also not subject to VAT and raise a relatively insignificant level of income, though early years charges are under review as part of the 2011/12 budget. Any increases in charges will be considered as part of the overall budget process.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1. Financial Implications

The increases proposed in excess of inflation would generate an estimated £322,000 p.a. in a full year and help support the 2011/12 budget. The implementation of increased fees and charges would also result in estimated additional income of £85,000 in the final quarter of 2010/11.

5.2. Legal Implications

5.2.1 Various statutory provisions enable the Council to make a charge for the services referred to in this report. The Council has a discretion as to the amount of charge made. In exercising that discretion the Council is required to take into account all relevant circumstances. Decisions taken on increased charges may be subject to Judicial Review. The risk of a successful Judicial Review can be minimised by ensuring consultation (where appropriate) has been carried out.

5.2.2 The Council is also under a duty to comply with equalities legislation. Where appropriate, equality impact assessments with regard to the proposed increases will have been carried out and reference to the equality implications is covered in the report.

Anthony Cross
Head of Litigation

5.3. Climate Change Implications

This report does not contain any significant climate change implications and therefore should not have a detrimental effect on the Council's climate change targets.

5.4 Equal Opportunities Implications

5.4.1 The proposal in respect of bereavement services is to increase non-cremation charges only. (Cost increases in respect of cremation have been separately agreed). As choice of method of internment is often prescribed by faith and personal beliefs, this would impact only those whose faith/beliefs specify/prefer burial. In order for the increased charges to have an adverse impact on those responsible for burial of family or friends, they would need to act as a deterrent in proceeding with a funeral and burial. The costs of burial are but one element of total funeral costs, with considerable personal discretion available to ensure financial affordability. Where there are no funds available, the Council will make provision for the burial of that person in keeping with their religion or beliefs, if known.

- 5.4.2 In regard to Social Care and Health services, provision of these services is assessed on the basis of individual need, and does not take into account that person's income. The Council's Welfare Rights Service has worked with Adult Domiciliary Care users to check their benefit entitlement and assist users and their families with any additional claims. This ensures that users have the income to pay for these services. The intention of these benefits is to ensure individuals are able to access the type of services provided by Social Care and Health. Therefore, potential adverse financial impacts as a result of increased charges for use of these services, are being mitigated by the service in its work with welfare advisers to ensure maximum take-up of appropriate benefits by its users.
- 5.4.3 In regard to Registration Services, the proposed cost increases comprise only one element of the various celebratory events covered. The users of the service have personal discretion over the costs and financial impacts, on them, of undertaking these celebratory events. The proposed increases would not adversely impact these events taking place, nor disproportionately affect any particular group.

Irene Kszyk, Head of Equalities

6. Other Implications

OTHER IMPLICATIONS	YES/ NO	Paragraph/References Within Supporting information
Equal Opportunities	Yes	Para 5.4
Policy	no	
Sustainable and Environmental	no	
Crime and Disorder	no	
Human Rights Act	no	
Elderly/People on Low Income	yes	Para 4.3
Corporate Parenting	no	
Health Inequalities Impact	no	

7. Background Papers – Local Government Act 1972

7.1. None

7.2. Consultations

7.2.1 All Heads of Finance have been consulted in this report.

8. Report Author

9. Nick Booth Financial Strategy

Key Decision	No
Reason	N/A
Appeared in Forward Plan	N/A
Executive or Council Decision	Executive (Cabinet)

APPENDIX A
Regeneration & Culture

**Review of Fees & Charges - Significant Areas - Potential for an increase from
04 January 2011**

	Income Area	Budget 2010/11 £000's	Comments	Budget Impact 2010/11	Budget Impact 2011/12
1	On Street Parking Income	1,800	(Not subject to VAT.) No plan to increase tariffs due to fears of competition from cheap off street car parks.	Nil	Nil
2	Off Street Parking Income	1,925	Currently losing income due to competition from cheap temporary car parks with a 20% reduction year on year. The Council contends that this income is not subject to VAT.	Nil	Nil
3	Licensing	675	Statutory charges not subject to VAT. 50% of charges can only be increased in April (Government set fees). Therefore inflationary increase will be applied on all from 1 April.	Nil	Nil
4	Libraries	151	Carrying out a review of prices. Will raise vatable items by inflation from 1 January 2011. There are concerns that increases above inflation will impact on sales volume. The budgeted income is already difficult to achieve,	Estimated increase of £500	Nil
5	Museum retail	120	New VAT rate will be applied from Jan 2011. No proposal to increase retail prices above inflation.	Estimated increase of £750	Nil
6	Sports	5,241	Sports have proposals for increases to fees and charges to take effect from 1 January 2011. There are concerns about the competition from private gyms. Sports are already struggling to meet their income targets. The proposed price increases from 1 January will on average only cover the VAT increase and standard inflation of 2.5%.	Maximum increase of £30k provided no change in volumes	Nil
7	Museums		No admission charges.	Nil	Nil
8	Bereavement 800 Services		Budget proposal to increase non cremation charges by 10% above inflation, ie 12.5%	Estimated increase of £25k assuming no impact on volume	£80k

ADULT SOCIAL CARE

Leicester Social Care and Health Related Payments and Charges Schedule with effect from January 3rd 2011

The hourly charge for home care has increased from £9.15 to £11.25. The maximum weekly charge will remain at £203.

ADULTS AND OLDER PEOPLE

RESIDENTIAL PAYMENTS 2010/2011

2010 Payment £	Description	Jan 2011 Payment £
	<u>Care Home</u> (payment per week)	
402.00	City Council EPH (for charging purposes only)	414.00
554.00	City Council LD Home (for charging purposes only)	570.00

ADULTS AND OLDER PEOPLE

NON-RESIDENTIAL CHARGES 2010/2011

2010 Charge £	Description	Charge from Jan 2011 £
	<u>Meals and Drinks</u> (charge per meal & per drink)	
2.85	Meal – Luncheon Club – Minimum – Maximum	2.95
3.85		3.95
2.85	Meal - Mobile	2.95

2.85	Meals – Day Services	2.95
0.40	Day Centres: Drinks	0.40
0.55	Breakfast or Afternoon Tea at Elderly Person’s Home (for non-residents)	0.55
2.85	Lunch at Elderly Person’s Home (for non-residents)	2.95
	<u>Day Services</u>	
NIL	Transport to / from Day Centre or community activity <i>(All transport is provided free of charge since April 2006)</i>	NIL
NIL	Day Care / Day Service	NIL
	<u>Home Care</u>	
	<i>Each service user is subject to a financial assessment. There is a standard charge per hour of care received, up to the service user’s weekly maximum charge. This maximum will range from no charge, to the divisions maximum charge, depending on the service user’s financial circumstances.</i>	
9.00	Standard Charge per Hour	11.25
20.00	Standard Disability Disregard	20.00
200.00	Department’s Maximum Charge per Week <i>(People with substantial income or capital)</i>	203.00
2.00	Blue Badges <i>(statutory maximum charge)</i>	2.00
NIL	Minor Adaptations	NIL

ADULTS AND OLDER PEOPLE
CHARGES TO OTHER COUNCILS 2010/2011

2010 Charge £	<u>Type of Establishment</u>	Charges from Jan 2011 £
	<u>Learning Disability Day Services</u>	
	<i><u>Service users placed before April 2005:</u></i>	
50.00	(i) Standard - Per Day	50.00
70.00	(ii) Special Care – Per Day	70.00
	<i><u>Service Users placed since April 2005:</u></i>	
347.00	2:1 Ratio of staff to service user	347.00
173.50	1:1 Ratio	173.50
73.00	1:3 Ratio	73.00
44.00	1:6 Ratio	44.00
23.00	1:12 Ratio	23.00
	<i>Note: These charges are for 2 sessions per day; for 1 session, the charge should be halved</i>	
	<u>Other Day Services</u>	
84.00	Day Centres for adults with Physical Disabilities – Per Day	84.00
62.00	Day Centres for people with Mental Illness – Per Day	62.00
36.00	Day Care for Older People – Per Day	36.00
	<u>Social Work Charges</u> (Service Manager approval required)	
32.00	Administrative & Senior Clerical (per hour)	33.00
42.00	Social Worker / Senior Officer (per hour)	43.00
55.00	Team Manager (per hour)	57.00

Registration Service Fees

Type of Fee	Current Fee (£)	Proposed Fee from 1 January 2011 (£)
<u>Marriage / Civil Partnership at Approved Premises</u>		
Mon – Fri	205	216.50
Saturday	325	326.50
Sunday / Bank Holiday	375	376.50
		(Note: There is a statutory fee in addition to the above of £3.50 for a marriage certificate)
<u>Application for approval of a venue</u>	1250	1300
<u>Non- Statutory Ceremony (Eg Naming Ceremony / Renewal of Vows)</u>		
Town Hall Mon – Fri Standard Ceremony	110	115
Town Hall Mon – Fri Enhanced Ceremony	170	180
Town Hall Saturday Standard Ceremony	130	135
Town Hall Saturday Enhanced Ceremony	200	205
Approved Venue Mon – Fri	190	200
Approved Venue Saturday	280	290
Approved Venue Sunday / Bank Holiday	330	345
<u>National Checking Service</u>		
Single Adult or Child Application	52	55
Husband & Wife or civil partners	95	100
Husband & Wife plus 2 children (max)	147	155
Any additional children	42	45