

## Central Bedfordshire Council

EXECUTIVE

7 February 2017

---

### **Fees and Charges 2017/18 – Social Care Health & Housing**

Report of Cllr Richard Wenham, Executive Member for Corporate Resources ([richard.wenham@centralbedfordshire.gov.uk](mailto:richard.wenham@centralbedfordshire.gov.uk)); and Cllr Carole Hegley, Executive Member for Social Care and Housing ([carole.hegley@centralbedfordshire.gov.uk](mailto:carole.hegley@centralbedfordshire.gov.uk))

Advising Officers: Julie Ogley, Director of Social Care, Health and Housing ([julie.ogley@centralbedfordshire.gov.uk](mailto:julie.ogley@centralbedfordshire.gov.uk)), Charles Warboys, Director of Resources ([charles.warboys@centralbedfordshire.gov.uk](mailto:charles.warboys@centralbedfordshire.gov.uk))

#### **This report relates to a non-Key Decision**

---

The report proposes the revised Social Care Health & Housing (SCHH) Fees and Charges prices for 2017/18; identifies new services for which it is proposed that Fees or Charges will be levied; and identifies those charges where proposed increases are significantly different from the 1% advisory increase as per the 2017/18 Budget Strategy.

#### **RECOMMENDATIONS**

- 1. The Executive is asked to agree the Fees & Charges prices for 2017/18 (Appendix A & B) and recommend to Council.**
- 2. Agree the new Fees & Charges that are proposed to be introduced for 2017/18 (Appendix C).**
- 3. Note the comments from the Overview & Scrutiny Committees (Appendix D).**

#### **Overview and Scrutiny Comments/Recommendations**

1. The proposed Fees & Charges proposals for SCHH were presented to the SCHH Overview & Scrutiny and Corporate Resources Committees in January 2017 for comment. See Appendix D.

#### **Background**

2. The Council's Charging Policy states that 'All Fees and Charges will be reviewed annually and adjusted as necessary in line with the Council's charging policy. The Director of Resources will provide Directorates with guidance each year as to the maximum inflation rate that may be applied.'
3. The Fees & Charges Policy was approved by Council in November 2014. It states that 'All fees and charges should be reviewed on a more fundamental basis at least every 3 years, where it will be necessary to examine all the factors set out in accordance with good practice guidance i.e. the CIPFA Practical Guide for Local Authorities on Income Generation (Fully revised 2008).' This is currently being undertaken on a rolling basis.
4. The Director of Resources has advised that the inflation rate to be applied in line with the Corporate Budget Strategy is 1%. Where there have been significant variations from this advisory level these have been identified at Appendix B.

### **Pricing for 2017/18**

5. The review of prices proposed for 2017/18 reflect three pricing options:
  - Prices remain at their 2016/17 level either because they are in line with other providers (Local Authorities) or because there is insufficient data available to support a price change.
  - Prices increased with inflation.
  - Prices increased by more than inflation if there is sufficient information to justify an increase.
6. A list of those Fees & Charges proposed to increase in line with inflation or to be held at 2016/17 prices is at Appendix A.
7. Those that it is proposed change by more than inflation are identified in Appendix B with the rationale explained in paragraphs 9 to 18.
8. New proposed services for 2017/18 along with a recommended price are shown at Appendix C.

### **Proposed Prices other than 1% (rounded) or held at 2016/17 charges.**

#### **Social Care**

9. The government has confirmed that the "triple lock" will be applied again for 2017/18 for the state pension. This is a guarantee to increase the state pension every year by the higher of inflation, average earnings or a minimum of 2.5%. The proposal is therefore to increase all old persons' fees and charges by 2.5% from April 2017.

10. Hot meals – The Council currently subsidises hot meals by approximately £43K per year. The proposal is therefore to reduce the subsidy over a 3 year period until it is removed. It is therefore suggested that the cost of meals rises by 50p to £4.50 from April 2017. Central Bedfordshire Council's meals contract is the same that Bedford Borough Council use. £4.50 is the current 2015/16 fee that Bedford Borough Council charge for the cost of meals.
11. Care Homes – weekly bed price. Charge to residents. It is proposed to increase the cost by 3%. This reflects the increase to the current 'Good' rate paid by the Council.
12. Care Homes – weekly bed price. Charge to Other Local Authorities. As with last year, it is proposed to add 5% to the previous charge. This is to cover management costs.

## **Housing**

### **Communal Services**

13. The Housing Service undertook a full review of charging during 2013, to determine whether the current level of service charges for communal services (heating, domestic hot water, cleaning) recouped the actual cost of providing those services at Council properties. The review found that in total there was a shortfall of £0.149M annually between what was charged and the cost. From 2014/15 the Council has started to close this gap, limited to a maximum increase of £1.10 per week for each tenant's total communal service charges.
14. This protection is limited to existing tenants. The true cost is charged for all new tenancies, including those who are already Council tenants but are transferring to another Council property.
15. This approach has succeeded in reducing the shortfall to £0.055M, as at the beginning of the financial year 2016/17. However, as the base data for actual costs relates to 2012/13 another full review has now been undertaken to assess the current gap, based on the actual cost for the year 2015/16. The revised actual cost data has been used to calculate the current difference between what the Council is paying and the tenant is being charged, so that service charges can be adjusted in 2017/18.
16. In many cases this will result in a reduction in the charge to the tenant, however in some instances the cost is higher than the current charge paid by the tenant, so an increase in the charge will be required. It is proposed that the policy of limiting the maximum overall increase to £1.10 per week would continue. Provided this approach is approved for 2017/18, it is estimated that the gap between the cost to the Council and the amount recouped will drop to circa £0.026M, a considerable improvement from the position in 2013/14.

17. This impact the communal services identified under Homelessness Hostels and also Service Charges as identified in the Housing Appendix B.

#### **Traveller Site Pitch Fees**

18. During 2016/17 the Council completed a 2 plot extension at its Potton traveller site, drawing down grant funding from the Homes and Communities Agency (HCA) to assist with the capital cost. As a result rents for these 2 units are calculated on an affordable rent basis, and therefore differ marginally from the other Traveller pitch rents. Due to government legislation on these rents, these 2 units will see a reduction in rent of 1%, resulting in a charge of £95.

### **New Services Offered by Housing from 2017/18**

#### **Temporary Accommodation**

19. For those occasions where the Council has to source temporary accommodation solutions for eligible clients who present as homeless, there are clearly defined rates of Housing Benefit available for the Council to claim against the cost of the rent. These rates are set by Central Government and represent the amount that the client will be charged by the Council. These charges are shown in the schedule for the first time this year.

#### **Sheltered Accommodation**

20. The current approach relating to Houses of Multiple Occupation does not differentiate in property size. As such a property with a large number of units would benefit from the 'one fee' for all approach. Where additional income is generated a stepped approach would better reflect fairness in charging, and this is therefore proposed for 2017/18.
21. Currently guest room rates are based on bedroom sizes. It is proposed that the approach is realigned to reflect the services provided, for example shower facilities. On this basis the revised approach of tier 1, tier 2 and 3 has been put forward with charges reflecting the market rates based on the services accompanying the rooms.

#### **Leaseholders / Landlords / Mutual Exchange**

22. There are a range of proposed new charges where a leaseholder may request a service from Housing. The most common types of request are listed in the schedule but it is proposed that where other services are requested and can be provided using our existing contractors we will endeavour to offer this service and recoup the cost.

### **Consultation**

23. It is not necessary to consult on Fees & Charges where:

- the price change is limited to a 1% inflationary uplift only, and;

- there is no change to the service provided nor the type of customers that would access the service (no equality impact).

24. Should the price change (increase) by more than an inflationary increase, the nature of the service change, or the make up of customers that could access the service change then it is recommended that a consultation is undertaken for those particular fees and charges. It is also deemed as good practice to consult if new services are offered.

25. The Knowledge and Insight Service have reviewed the Social Care and Housing proposals and have advised that given a) the modest nature of any price increases, and b) the fact that the Council is moving to a cost reflective price over a number of years to minimise the increase and c) the new services are either set nationally or are at market rate, then consultation is not required.

26. It should also be noted that the Housing charges are covered off in the Housing Revenue Account Medium Term Financial Plan paper on the same agenda and have been through their tenant consultation process.

### **Reason/s for decision**

27. To agree the Fees & Charges prices for 2017/18 as part of delivering a balanced budget for 2017/18..

### **Council Priorities**

28. The annual review and setting of the Council's Fees and Charges are integral to the Council's Budget Strategy and the legal requirement to deliver a balanced budget. The review ensures a rigorous, responsible and realistic approach is taken to determine the appropriateness and relevance of the Council's schedule of Fees and Charges. Setting a balanced budget ensures the Council allocates its resources to deliver the priorities. These are:

- Enhancing Central Bedfordshire
- Improving Education and Skills
- Protecting the Vulnerable; Improving Wellbeing
- Creating Stronger Communities
- Great Resident Services
- A More Efficient and Responsive Council

### **Corporate Implications**

### **Legal Implications**

29. The Council has various powers to charge for aspects of the services it provides. The general rule is that when it is carrying out a statutory duty the Council can only make a charge where there is specific power to do so. Section 93 of the Local Government Act 2003 provides that when the Council is providing a discretionary service, it may charge for the service, provided the person receiving the service has agreed to its provision. Overall the income from such charges must not exceed the current full economic cost to the Council of the provision.

### **Financial Implications**

30. These are contained in the report.

### **Equalities Implications**

31. Where appropriate, Equalities Impact Assessments will be carried out for proposals.

### **Conclusion and next Steps**

32. If recommended by the Executive, the proposed charges for 2017/18 will be presented to Council at its meeting of 23 February 2017 for approval.

### **Appendices**

Appendix A – Fees & Charges Schedules – proposed prices 1% increase or held at 2016 prices

Appendix B – Proposed price increases of more than 1% (rounded).

Appendix C – New Charges

Appendix D – Comments from Overview & Scrutiny.