

Agenda item:

**[No.]**

**Cabinet on**

**24th February 2009**

Report Title. **Fees and charges 2009/10 for Adult Culture and Community Services**

Report of **Mun Thong Phung, Director of Adult, Culture and Community Services**

Signed : 

Contact Officers: Chi Wong, Business Support Manager, Recreation Services  
Tel: 020 8489 5697 email: [chi.wong@haringey.gov.uk](mailto:chi.wong@haringey.gov.uk)

Niyazi Soyel, Finance Manager, Adult Services  
Tel: 020 8489 2339 email: [Niyazi.soyel@haringey.gov.uk](mailto:Niyazi.soyel@haringey.gov.uk)

Wards(s) affected: **All**

Report for: Non-Key decision

**1. Purpose of the report (That is, the decision required)**

- 1.1. To approve inflation adjusted fees and charges for the year 2009/2010 in relation to functions/services administered by Adult Culture and Community Services.

**2. Introduction by Cabinet Member (if necessary)**

- 2.1. This report covers Adult Social Care, Recreation and Culture, Libraries and Learning.  
2.2. A 2% increase is recommended for Adult Social Care maximum charges.  
2.3. Average fee increases for Recreation are recommended at 2% for both Parks and Bereavement Services and 2.5% for Leisure Services.  
2.4. At this time there is no recommended increase for Culture, Libraries and Learning charges although a full review will be completed during 2009-10.

### **3. State link(s) with Council Plan Priorities and actions and /or other Strategies:**

#### **Recreation Services**

- 3.1. Sports and Leisure price review will support the achievement of council priorities in "Encouraging life time well being" and increase leisure centre user visits and sports participation.
- 3.2. All prices reviews under the three services within Recreation Services will deliver its individual financial targets, support the delivery of the Council's priorities in "Delivering excellent, customer focused and cost effective services" by enhancing value for money (through improvement of unit costs and returning a surplus in Bereavement Services).

#### **Adult Social Care**

- 3.3 The inflationary increase of maximum charges for Adult Social Care services links to "Encouraging lifetime well-being, at home, work, play and learning" and also to "Promoting independent living while supporting adults and children when needed".
- 3.4 The community care charging policy is based on an assessment of a clients' ability to pay towards the cost of their care. Clients are expected to contribute towards the full cost of their service based upon their ability to pay. The maximum charge will only be paid by full cost payers, a small percentage of clients.
- 3.5 For the majority of social care clients the assessed contribution will be largely dependant on the amount of benefits received. In the House of Commons on 11 December 2008 the Minister for Employment and Welfare Reform announced that "most national insurance related benefits will increase by September's retail prices index, which is up by 5 per cent. Most income-related benefits will be uprated by September's Rossi index, which is RPI less housing costs, and is up by 6.3 per cent."

### **4. Recommendations**

- 4.1. That the Cabinet approves the Recreation Services annual increases in fees and charges set out in Appendices 1-5 of this report, for 2009/10.
- 4.2. That the Cabinet approves increases of 2% Adult Social Care maximum charges set out in Appendix 6.
- 4.3. That the Cabinet approves no increases to fees for Libraries, Learning and Culture at this time. Any budget shortfall as a result of this recommendation will be met by the Service and a full review of charges will be completed during 2009/10.

## **5. Reason for recommendation(s)**

- 5.1. The 2% increase for both Adult Social Care, Parks and Bereavement Services is in line with the Council's policy and support achievement of financial targets and enable the Services in Recreation to deliver Council's objectives.
- 5.2. The proposed 2.5% for Sports and Leisure services will enable the service to utilise the 0.5% for enhancing and maintaining changing room facilities in the leisure centres.

## **6. Other options considered**

- 6.1. No increase in prices for Recreation and Adult Social Care – this option is unacceptable as it will undermine the service abilities to deliver its financial targets, improve unit costs and return a surplus in Bereavement Services. Additionally, the Service will experience difficulties to deliver Council's priorities in Encouraging Well Being.
- 6.2. An increase in prices for Libraries, Learning and Culture has not been considered at this time. A full review is required before options can be evaluated. The services provided by this Business Unit are often in direct competition with the market place and it is important to ensure that pricing remains attractive to the customer.

## **7. Summary**

### **7.1 Recreation Services**

- 7.1.1 As in previous years, the Council review annually Recreation Services prices and where relevant compare prices with neighbouring boroughs and update prices in order to optimise income whilst meeting current demands and remaining competitive.
- 7.1.2 All price increases will support the Council's planned inflation increase of 2% in Recreation Services 2009/10 income.
- 7.1.3 The council capacity in burials is limited and it is important that the current demand/income level is maintained without causing accelerated uptake of burial spaces.
- 7.1.4 Income performance to date in all services within Recreation Services is in line with the target and both Leisure Services and Bereavement Services are achieving their 2008/9 efficiency savings target of £ 215k and £115k respectively.

7.1.5 As the leisure centre and bereavement services enter into their “peak” quarter (quarter 4), there is a potential risk that the current credit crunch may affect the income performance despite the fact that year to date income performance is broadly in line with target.

7.1.6 The group hire and functions charging policy and actual charges were agreed as per the report to Cabinet on the 18<sup>th</sup> November 2008. These charges are appended to this report as Appendix 5. The essence of the newly agreed charging policy for clubs/groups and function hire is that a market price (generally 30 to 40% above the actual cost to the Council for this facility, staff, cleaning etc) is applied to commercial organisations for hire (Active Hire), whereas for community organisations a three tiered pricing approach is applied:

|                                       |  |
|---------------------------------------|--|
| Active Club 1 – current price plus 3% | Church groups, out of borough clubs, community non sports groups, informal one off sports hire   |
| Active Club 2 – Up to 3% discount     | Sports Club affiliated to governing body and in borough. Must block book 10 or more sessions   |
| Active Club 3 - Up to 12% discount    | Sports Club that meets ‘Clubmark’ criteria. That is equitable in pricing and delivery, high standard of coaching, actively works with the council to increase participation (school links, constitution, strong links to governing body, good management). Must block book ten or more sessions. |

Thus the key driver of the policy is to use pricing as one of the tools to develop strong sports clubs within the borough; that will actively partner the council to improve rates of sports participation within Haringey. These clubs will be rewarded with the highest discount.

## 7.2 Adult Social Care

7.2.1 Maximum charges for in services provided directly by the Council to be increased by 2% across the board, excluding Meals on Wheels which was increased from £2.75 to £3.00 for 2008/09 (an increase of 9%). A full breakdown of charges is attached at appendix 6.

## **8. Chief Financial Officer Comments**

- 8.1. This report proposes increased charges for Recreation Services. These increases will allow the increased income budget to be achieved and provide a small surplus (£15k) which will be reinvested in Recreation Services to improve changing facilities.
- 8.2 Adults Services are proposing to increase charges for in house services by 2%. This is in line with the budgeted inflationary increase for income targets. However, the charge for Meals on Wheels remains unchanged. The charge for this service was increased by 9% in 2008/09, from £2.75 to £3.00. The increased income target will be achieved by further promoting this service to maximise uptake.
- 8.3 At this time no increases are proposed for client fees within Culture, Libraries and Learning. However, these charges will be reviewed during 2009/10. This Business Unit continues to focus on increasing customer numbers to maintain income levels. However, should the review of charges prove that there will be an income shortfall, savings will be identified elsewhere from the Business Unit and reported at this point.
- 8.4 While this Directorate is not currently experiencing a drop in income it is possible that in coming months, due to the economic slowdown, demand for services (Recreation and Culture, Libraries and Learning) may fall, thus reducing the income received. For Adult Social Care demand may grow but the level of income and investments held by assessed service users may fall, reducing the level of income charged for these services.

## **9. Head of Legal Services Comments**

- 9.1 The Head of Legal Services has been consulted and notes the recommendations in paragraph 4 of this report for increases in fees and charges.
- 9.2 As noted in the Cabinet report of 18 Nov. 2008 on pricing for Club/Group Hire of Parks and Leisure Centres Sports Facilities, the power to provide recreational facilities under Section 19 of the Local Government (Miscellaneous Provisions) Act 1976 confers a very wide discretion including powers to provide facilities without charge or subject to such charges as the authority thinks fit. The exercise of its discretion by the authority should be reasonable in all the circumstances. There is nothing in this report to suggest that the recommended fee increases would not be a reasonable exercise of this discretion.
- 9.3 ACSS have confirmed that, except in the case of Adult Social Care services, if the proposed increases are approved they will only affect new requests to make use of the functions/services to which the increases relate and therefore will not affect any existing contractual or concessionary arrangements. In the case of Adult Social Care,

while the increases will affect existing service users, provision is made for such increases in the arrangements with these users.

9.4 The Head of Legal Services has no further observations on the proposals in paragraph 4 of this report to increase fees and charges.

## **10. Head of Procurement Comments –[ Required for Procurement Committee]**

10.1. n/a

## **11. Equalities & Community Cohesion Comments**

11.1. The fees and charges apply to all users who use the services and are structured to provide equal access by all citizens and reflect the full diversity of the community.

11.2. We are committed to eliminating discrimination on grounds of age; disability; colour, ethnic origin, national origin or race; gender; sexuality and religious belief. This is reflected in our pricing discounts and programming/provision of activities and facilities. For example sports pricing showed that many low income families could not afford to use sports facilities and during consultation Older People asked for free access, to encourage healthier lifestyles. Therefore we introduced lower concessionary rates and agreed that older people could use all sports facilities free during the day in the week. Since we introduced these changes the number of people on concessions using sports and leisure facilities has gone up by 6%.

## **12. Consultation**

12.1. n/a

## **13. Service Financial Comments**

### **13.1 Recreation Services**

13.1.1 Services in Recreation Services include services of Leisure, Bereavement and Parks. Both leisure centres and parks offer mainly discretionary services in which the Council may choose to impose charges for the service provided and recover costs. Bereavement services is a commercial service and the proposed cremation/burial prices are comparable with the market and generally recover costs fully and return a surplus. This is in accordance with Council's charging policy for commercial services which states that prices for such services should aim to recover costs fully and price setting be guided by the market.

13.1.2 Sports and Leisure pricing and subsidy policy was subject to major review during 2007/8, which has been successfully implemented in 2008/9 with "casual" charges now based upon "ability to pay" principle.

13.1.3 Park increases generally reflect the inflationary increase of 2% and target to produce an increase in income of £20k to match the budgeted income increase.

13.1.4 Sports & Leisure increases take into account inflation, service improvement and price alignment with the market. The overall increase is 2.5% and will deliver an increase in income of approx £81k, out of which approx £66k will meet the budgeted income increase and the remaining £15k is used to enhance and improve facilities and equipment in the changing rooms.

13.1.5 The average increase in Bereavement Services prices is 2% which takes into account Council inflation policy. The additional income £34k will meet the budgeted increase in income.

### 13.2 Culture, Libraries and Learning

13.2.1 Charges to clients total approximately £714k. A budgeted increase of 2% will increase the income target by £14k. It is proposed that fees and charges remain at the current level until a full review has been undertaken. It will be necessary within the review to ensure that services remain competitive and affordable focus on increasing the number of customers in order to maximise income.

13.2.2 The declining market for DVD rentals is resulting in lower than projected income for this service. Benchmarking will be undertaken to compare the cost of alternative outlets that customers have available to them and consideration given to lower expendable income resulting from the current economic climate. A full review to be carried out during 2009/10. The Business Unit is currently undertaking a review of the potential to increase sponsorship and income from the commercial sector.

### 13.3 Adult Social Care

13.3.1 The community care charging policy is based on an assessment of a clients' ability to pay towards the cost of their care. Clients are expected to contribute towards the full cost of their service based upon their ability to pay. The maximum charge will only be paid by full cost payers, a small percentage of clients.

13.3.2 For the majority of social care clients the assessed contribution will be largely dependant on the amount of benefits received.

13.3.3 The Adults budget includes an income assumption of £7.8m in respect of fees and charges to clients. This budget will be inflated by 2%. The ability to achieve this expectation is based largely on the number of clients and assessed contribution for the services received.

13.3.4 This report recommends an increase of 2% to all maximum charges for services provided by the Council and that the maximum charge for services provided by external providers remains as the cost charged by those providers.

13.3.5 The Meals on Wheels Service is a subsidised service. Planned increases in the charge to service users in 07/08 and 08/09 bring the cost of meals in Haringey onto the highest quartile of London Boroughs. It is thought that a further increase in 09/10 would not be appropriate given the preventative nature of this service and in a climate of increasing utility costs and other costs.

#### **14. Use of appendices /Tables and photographs**

- 14.1. Appendix 1 Proposed Parks Prices - Allotment prices for 2009-10
- 14.2. Appendix 2 Proposed Sports & Leisure prices for 2009-10
- 14.3. Appendix 3 Proposed Bereavement Services prices for 2009-10
- 14.4. Appendix 4 Hire and event charges for 2009-10 (includes both Parks and Sports & Leisure - already approved)
- 14.5. Appendix 5 Maximum Charges for Council Provided Adult Social Care Services

#### **15. Local Government (Access to Information) Act 1985**

- 15.1. n/a
- 15.2. n/a