



REPORT TO: THE MORAY COUNCIL ON 17 FEBRUARY 2016

SUBJECT: CHARGING FOR SERVICES

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 To ask the Committee to approve fees and charges for Council services for 2016/17.
- 1.2 This report is submitted to Committee in terms of Section III (A) (6) of the Council's Administrative Scheme relating to the setting of charges.

2. RECOMMENDATION

2.1 It is recommended that the Committee approve:

- (i) the charges set out in APPENDIX 1;**
- (ii) that charges for temporary accommodation for homeless households are increased to reflect the Local Housing Allowance rates for Moray in 2016/17.**

3. BACKGROUND

- 3.1 The Council's Policy for Charging for services was approved by this Committee on 18 March 2014 (paragraph 6 of the minute refers). Under this policy an annual review of charges is required.
- 3.2 The Council budgeted to raise income of £9.2 million from charges in 2015/16. Not all of these charges are within the control of the Council: some charges levied by the Council for services provided are set by statute; some are limited by statute, and some have the method of calculation prescribed by statute. Around £1.7 million income is budgeted from charges which fall outwith the scope of this annual review, for one of the above reasons.
- 3.3 An inflation increase cannot be applied to all charges. Some are impracticable to increase by inflation on a year-on-year basis, typically small charges and those collected by coin-in-the-slot machines where the cost of re-calibrating the machines outweighs small gains in income. Around £50,000 is budgeted to be raised from such charges but in practice the income generated in recent years has generally been below budget.

- 3.4 Charging for services is one of the ways in which the Council can minimise the need to cut services in order to make savings. Accordingly charges have been reviewed for the potential for a sustainable above-inflation increase across those services for which are within the Council control. A default position of an increase of 5% has been used. Such an above inflation increase will contribute to the Council's savings target in future years by increasing the Council's income base, whilst lessening the reliance on use of reserves in 2016/17.
- 3.5 All new charges are proposed to take effect on 1 April 2016, apart from the proposed increases in the cost of school meals and in the cost of music tuition, which it is proposed will take effect from the start of the new school year in August 2016, and the proposed increase in charges for sports development courses, which it is proposed will take effect from the summer school vacation, as the brochures for the Easter vacation have already been printed, using the current prices.
- 3.6 This Committee on 2 December 2014 approved a policy for contributing to the cost of adult social care and support (non-residential) within a self-directed support (SDS) system (paragraph 5 of the minute refers). Under SDS people will not be charged for using services (there are some exceptions to this general rule), but will be required to make a contribution towards the cost of their care and support. The Council still requires to approve charges for the use of services until all users of the Council's services have made the transition to SDS. These charges are included in **APPENDIX 1**.
- 3.7 It is recommended charges are all set out in **APPENDIX 1**, and this is discussed on a section by section basis below, with any exceptions to the default 5% increase identified
- 3.8 **Corporate Services / Cross departmental charges**
All charges within the control of the Council are proposed to be increased by 5%, except for 3 charges: Freedom of Information requests (A17), photocopying (A18 – see also C9b and D1g) and payment by credit card (A23). If Freedom of Information requests cost the Council more than £100 to answer then a charge of 10% of the cost is levied. It is not proposed to increase the level of this levy. In practice requests for photocopies are rarely made and it is not proposed to increase the charge made for copying (as opposed to the staff time involved). The charge made is the same as the cost of photocopying at other council facilities eg libraries and community centres. A levy of 1.8% is made to cover the costs of bank charges when payment is made by credit card. It is not proposed to increase this levy at this time, however the Taxation Manager intends to review the associated costs to ensure that the levy is sufficient to cover all costs. If the levy proves to be insufficient then an increased levy will be recommended. Under the Consumer Rights (Payments Surcharges) Regulations 2012 fees levied for payment by credit or debit card must not exceed the cost borne by the trader for use of that means of payment.
- 3.9 **Social Care**

It is proposed that all charges within the control of the Council are increased by 5%. Charges for domiciliary care (B7) and respite care (B8 and B9) are subject to a financial assessment. New service users (and service users whose assessments are reviewed) will be assessed for contributions under SDS but charges will continue to be levied for Moray Lifeline (B1), Blue Badge (B4) and meals (B5, B6, B14).

3.10 **Leisure Facilities**

Fit Life? was introduced in January 2015, with a revised charging regime for leisure services implemented in April 2015. It is not proposed to increase the charges for membership of Fit Life? (C1 and C9d): the scheme is still in its infancy and the focus is to increase membership numbers and consequently income - retaining the attractive 'introductory' price is important in this respect, and it is considered that increasing the cost of membership at this point may deter existing and potential new members.

3.11 There is no charge for registered disabled users of swimming pools (C2a), the indoor climbing wall at Speyside Sports and Community Centre (C3b1) and community centres (C9a) (plus one carer) at present. It is proposed the registered disabled users based outwith Moray are charged the same concessionary rate as young people and over 60s.

3.12 A new day rate is proposed for the hire of community town halls (C7a and C7b). Previously only Elgin Town Hall had a day rate (C8a and C8b). It is proposed that the community / charity rate for the use of large halls in community town halls is kept at £20 per hour in 2016/17. The hourly rate was increased to £20 in 2015/16 – previously the rate had been £13.50 for adult group and £9.50 for junior / over 60s groups. This significant increase gave rise to complaints from hall users. It is also proposed that the commercial rate for the use of rooms / kitchens in community halls (C7c) is kept at £30, for parity with similar facilities in schools and community centres. Equipment hire (C8e) generates minimal income and it is proposed that the hire rates are kept at current levels.

3.13 Other than that it is proposed that charges for the use of leisure facilities are increased by 5%.

3.14 **Libraries and Information Services**

The charges for libraries and information services are generally proposed to increase by 5%. It is not proposed to increase the cost of borrowing a DVD (D1e) as it is considered that an increase in cost (currently £2.50) would result in a decrease in borrowing and so reduced income. Income from borrowing DVDs has dropped steadily from £7,900 in 2012/13 to an anticipated £3,000 in 2015/16. It is not proposed to increase the charge made for photocopying, faxing or computer print outs.

3.15 Educational Services

It is proposed to increase the charges for school meals by 10%. This equates to a proposed increase of 20p in the cost of primary school meals and is anticipated to generate £120,000 savings by reducing the level of subsidy for this service. It is proposed to increase the cost of music instruction by 20%. This would reduce the level of subsidy for this service from 68% to 62% and generate savings of £28,000. It is proposed to increase the charges for sports coaching by 5%. This service already charges at full cost recovery, as approved by Council on 13 February 2013 (paragraph 2 of the minute refers).

3.16 Development Services

It is proposed to increase most of the charges within the Council's control by 5%. It is proposed to increase the hourly rate for Public Health duties (F1h) from £57.75 to £64.05, an increase of 11%, to match the hourly rate for burial of the indigent dead (F1f). It is not proposed to increase the charges for Letters of Comfort (F3b – F3d) as it is considered that these charges fully cover the cost of the work involved. It is not proposed to increase the charge for Neighbourhood Notification from £107, as this charge should recover the costs involved and no more, and it is considered that the current fee covers the costs of Neighbourhood Notification. Recent changes in the rules recently have meant fewer Neighbourhood Notifications are required. It is proposed to freeze the costs of High Hedge applications at £382 as only one application has been made since this was introduced in 2014, and the department is concerned that the cost may be deterring applicants. The fee is comparable to fees charged by other local authorities for High Hedge applications, and comparable to fees for similar planning applications. The fee is intended to cover the cost of the application.

3.17 Waste Management, Lands and Parks

It is proposed to increase all charges by 5%. Trade waste charges are budgeted to generate in excess of £1 million. There was a minimal increase in trade waste charges in 2015/16, and the volume of business generated has grown over the year. This is an area where the Council faces significant competition from private sector providers and there is a risk that an increase of 5% might result in a drop in the number of businesses choosing to contract with the Council for trade waste collection. Despite this risk, it is anticipated that the market will bear an increase of 5% by the Council.

3.18 Fleet, Roads and Transportation

It is proposed to increase all charges levied by the Fleet Management service by 5%, where these are in the control of the Council.

3.19 It is proposed to increase all charges levied by the Roads and Transportation sections by 5%, where these are within the control of the Council, under exception of the charges relating to accident damage, car parking charges and for a duplicate bus pass. It is proposed to retain the fee for an engineer or inspector for work relating to accident damage (H2f) at 15% of the value of the work involved. A 5% increase in car parking charges would be inconvenient for drivers, particularly as the car park cash machines do not give change. It is proposed to keep car parking (H3) fees the same for a

further year. That will be a seven year freeze in costs and consideration will be given to a substantial increase in 2017/18. To keep the cost of a duplicate bus pass to a round sum it is proposed that this is increased from £4 to £5 (H5c). It is proposed to introduce a new charge for the collation and provision of collision data (H2d): £100 where preparation of the data takes up to 2 hours and £50 for each additional hour or part thereof.

3.20 Harbours

It is proposed to increase all harbour charges by 5%, except for the cost of a Rover ticket, which is proposed to remain at £62.50 plus VAT, in line with Aberdeenshire Council, and for all costs or reliefs based on percentages of charges or values.

3.21 Flood Risk Management

It is proposed to increase the charge for a Flood Risk report for property by 5%.

3.22 Housing and Property

It is proposed to increase all charges made by the Housing and Property Service by 5%

3.23 Overall impact

The budget and estimated actual income from charges in 2015/16 and proposed budgeted income from charges for 2016/17 are shown in the table below, along with the estimated impact of the proposed increase in charges following the annual review. An additional £386,000 income is anticipated, assuming that usage of services for which a charge is made remains at the 2015/16 level.

	Service Area	Budgeted income 2015/16 £000s	Estimated income 2015/16 £000s	Proposed budgeted income 2016/17 £000s	Increase / (decrease) in budget £000s
A	Corporate Services	420	409	420	-
B	Social Care	1,080	1,476	1,136	56
C	Leisure Services	804	800	844	40
D	Town Halls and Community Centres	233	237	250	17
E	Libraries	169	104	170	1
F	Other Education	1,505	1,575	1,580	151
G	Development Services	1,403	1,422	1,466	63
H	Waste Management, Land and Parks	2,148	2,084	2,227	79
I	Fleet, roads, transportation	868	840	905	37
J	Harbours	397	397	411	14
K	Housing and Property	155	147	159	4
	Total	9,182	9,420	9,568	463

3.24 The Communities Committee agreed a revised charging policy for temporary accommodation for homeless households on 3 February 2015 (paragraph 10 of the Minute refers). It is proposed that charges for this accommodation are increased to reflect the Local Housing Allowance rates for Moray in 2016/17.

4. **SUMMARY OF IMPLICATIONS**

- (a) **Moray 2023: A Plan for the Future/Service Plan**
Charges for services contribute to the cost of providing services and ultimately to the sustainable delivery of the Council's priorities.
- (b) **Policy and Legal**
The Council's Policy on Charging for services requires an annual review of charges. There are no legal implications arising from this report.
- (c) **Financial implications**
Levying charges for services forms an important part of the Council's strategy for balancing its annual budget. On the basis that there is no change in level of service uptake, the charges proposed in **APPENDIX 1** are estimated to generate an additional £0.463 million, bringing the total budget for income from service users to £9.645 million.
- (d) **Risk Implications**
There are no risk implications arising directly from this report. There is always a risk that service usage will drop if charges are increased but the proposals in this report are not considered to create a significant risk to levels of services usage, with the exception of trade waste collection, where the Council's service competes with commercial service providers, and school meals, where the level of increase proposed may have a significant impact on the level of uptake of primary school meals. These are the biggest areas of risk to increased income identified.
- (e) **Staffing Implications**
There are no staffing implications arising from this report.
- (f) **Property**
There are no property implications arising from this report.
- (g) **Equalities**
The Equalities Officer has been consulted in the preparation of this report and comments received have been taken account of in the preparation of this report. An interim report to Policy and Resources Committee on the Fit Life? scheme on 27 October 2015 highlighted that an increase in charges for individual leisure activities impacted on single parent, single child families in a way that could not be mitigated by the financial gains through the Fit Life scheme. A review of mitigating actions for this group concluded that until the administration of the Fit Life? Scheme has been established it is not feasible to introduce further concessionary rates. A review of sport, leisure and recreation provision will be reported to Council on 30 March 2016 and this will also discuss these issues.
- (h) **Consultations**

All Heads of Service have been consulted in the preparation of the proposed charges for Council services in 2016/17.

5. CONCLUSION

- 5.1 It is proposed to generally increase charges for Council services which are within the Council's powers to set by an inflation increase of 5%. It is proposed to increase the charges for school meals by 10% and the charges for music tuition by 20%. These increases will contribute towards the Council's savings target for 2016/17.**
- 5.2 It is proposed to increase the charges made for temporary accommodation for homeless households in line with the Local Housing Allowance rates for Moray in 2016/17.**

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Background Papers:

Ref: LP/LJC/[239-1311](#)/[239-1309](#)