

Charging for Services: Are you getting it Right

Report by John Blair, Director Resources

1 Purpose of Report

To advise Audit Committee of the relevance of the National Audit Report titled "Charging for Services: Are you getting it right" which was published in October 2013. The Council's Review of Fees and Charges was approved at the Council meeting held on 24 June 2014.

2 Background

2.1 Consideration of National Reports

The Audit Committee at its meeting on 6 May 2014 approved the Council's procedure for managing and reporting on Audit Scotland National Reports. The approach agreed was that the relevant Council Officer would review the National Report and provide a summary for the Audit Committee of any local implications or actions which have been taken or are required to be put in place.

2.2 Charging for Services: Are you getting it right?

The key messages set out in the Audit Scotland report are:

- 1) *Councils should have clear policies in place for charges and concessions. They should regularly review charges to ensure that they are appropriate and meet their intended objectives.*
- 2) *Councillors should take a lead role in determining charging policies. They should be involved and consulted over the design of charges and concessions.*
- 3) *Charges can be used to influence behaviour to help meet councils' objectives. They should not be seen solely as a means to generate income.*
- 4) *Councils should improve their use of cost information, including unit costs. This is essential for councils to design charges and understand the extent to which they will recover costs.*
- 5) *Charges for services vary markedly between councils, reflecting local circumstances and policy priorities. This may be appropriate but Councils should be aware of any significant differences in their charges. They should be transparent in how they set charges and be able to explain their charging decisions to the public.*
- 6) *Councils should consider charging as part of their overall financial management. Councils should understand the contribution that charges make to their overall financial position, and the extent to which individual services are subsidised. This can help councils target*

subsidy to priority areas.

- 7) *Many factors must be taken into account when designing charges. To assist in this, councils should follow the good practice set out in this report. This includes identifying charging options, assessing their impact on services and the people that use them, and making comparisons with other providers.*

A full copy of the report is available via the following link:

http://www.auditscotland.gov.uk/docs/local/2013/nr_131ing_services.pdf

2.3 Council meeting 24 June 2014

At its meeting on 24 June 2014, the Council considered a report titled **Review of Fees and Charges - report by Hillary Kelly, Head of Service (Governance and Transformation Projects)**

The purpose of this report was to seek approval for the proposed price increases for 2014; including the remainder of chargeable Council services i.e. those which were not previously approved at Council on 4 February 2014.

Furthermore, this report presented to Council included the revised Corporate Charging Framework and Corporate Charging for Strategy, incorporating the approach to harmonisation of prices and the updating of the Council's concessions policy for 2014/15. This report used the best practice approach detailed in the Accounts Commission report "Charging for services: are you getting it right?"

A fully copy of the report presented to Council is available via the following link:

http://www.midlothian.gov.uk/download/meetings/id/3817/18_review_of_fees_and_charges

In addition, reports have been presented to Council on the following occasions:

Date	Report	Agreed
25 Sep 2012	Review of Fees and Charges. Report by Director Corporate Resources	The Council agreed to combine the items and meantime to remit the matter for consideration at a seminar of the Council to which all members be invited
4 Dec 2012	Seminar of Midlothian Council	Minute of seminar submitted to Council on 18 December 2012 and that a detailed report be submitted to the Council meeting on 5 February 2013
18 Dec 2012	Review of Fees and Charges for Adult Services. Report by Director Communities and Wellbeing	To note the consultation. To introduce the proposed changes with effect from 1 April 2013 in respect of Community Alarm Service Telecare Care at Home Services
5 Feb 2013	Review of Fees and Charges. Report by Director Corporate Resources	To note the revised fees and charges and changes to timescales outlined.
5 Feb 2013	Commercial Waste Collection; Trade Waste Charges 2013/14. Report by Director Corporate Resources	To approve the revised Trade Waste Charging arrangements and the revised arrangements with effect from 1 April 2013.
17 Dec 2013	Review of Fees and Charges Report by Director Resources	To refer the report to a Cross Party Working Group to examine proposals in detail and to report back in early

Date	Report	Agreed
04 February 2014	Review of Fees and Charges Report by Director Resources	To approve in principle the revisions to fees and charges detailed (for "commercial" charges). To note plans for consultation To receive a further report

Copies of these reports can be accessed via the Council's website or the Council's intranet (for internal users). Additionally, paper copies are available via the Council Secretariat.

3 Report Implications

3.1 Resource

The resource implications arising from the Council's Report of Fees and Charges were set out in the report presented to Council on 24 June 2014.

3.2 Risk

The risk implications arising from the Council's Report of Fees and Charges were also set out in the report to Council on 24 June 2014.

3.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- Community safety
- Adult health, care and housing
- Getting it right for every Midlothian child
- Improving opportunities in Midlothian
- Sustainable growth
- Business transformation and Best Value
- None of the above

3.4 Key Priorities within the Single Midlothian Plan

The proposals in the report to Council in June aim to meet all the Council's key priorities, through ensuring that the framework for charging is fair and consistent and that concessions are offered to the groups meeting the Council's key priorities.

3.5 Impact on Performance and Outcomes

Under the Local Government in Scotland Act 2003, Councils have a duty to provide Best Value in the services they deliver to their customers. Within this duty, Councils are required to demonstrate sound management of their resources which includes charging for services.

3.6 Adopting a Preventative Approach

Whilst not directly applicable, the use of sport, leisure and community facilities is believed to contribute to healthier lives and therefore wider benefits to the community (and beyond).

3.7 Involving Communities and Other Stakeholders

Prior to reporting to Council, a comprehensive programme of consultation was undertaken with the service users of both indoor and outdoor leisure and recreation facilities and feedback from this formed part of the final proposals presented. The final proposals presented to the Council were developed by the Cross Party Working Group comprising officers and elected members.

3.8 Ensuring Equalities

The draft Corporate Charging Strategy, including Harmonisation and Concessions Policy, aims to address the issue of equalities and ensure that appropriate concessionary rates are applied to particular groups of service users, to ensure fairness. This has been considered as part of the consultation with service users.

The focusing of subsidies on Midlothian residents is considered to be a proportionate approach to ensure the legitimate aim of delivering the best possible service to Midlothian residents and encouraging the use of such facilities and services whilst at the same time permitting non-Midlothian residents to take advantage of Midlothian facilities and services at the non-subsidised rate.

A full Equalities impact assessment has been carried out and was appended to the report to Council in June.

3.9 Supporting Sustainable Development

The development of a consistent approach to the consideration of Fees and Charges ensures that the viability of services can be maintained by the Council.

3.10 IT Issues

The updating and maintenance of systems for charging is reflected in the Resources Directorate work programme.

4 Recommendations

Audit Committee is invited to:

- a) note approval of the Revised Fees and Charges by the Council on 24 June 2014;
- b) note the Audit Scotland National Report entitled “Charging for Services: Are you getting it right?”; and
- c) consider the Revised Fees and Charges report against the key messages as set out in paragraph 2.2.

01 September 2014

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Declaration Box

Instructions: This box must be completed by the author of the report. The box will be copied and saved by the Council Secretariat who will delete it from the report prior to photocopying the agenda.

Title of Report:

Meeting Presented to:

Author of Report:

I confirm that I have undertaken the following actions before submitting this report to the Council Secretariat (Check boxes to confirm):-

- All resource implications have been addressed. Any financial and HR implications have been approved by the Head of Finance and Human Resources.*
- All risk implications have been addressed.*
- All other report implications have been addressed.*
- My Director has endorsed the report for submission to the Council Secretariat.*

For Cabinet reports, please advise the Council Secretariat if the report has an education interest. This will allow the report to be located on the Cabinet agenda among the items in which the Religious Representatives are entitled to participate.

Likewise, please advise the Council Secretariat if any report for Midlothian Council has an education interest. The Religious Representatives are currently entitled to attend meetings of the Council in a non-voting observer capacity, but with the right to speak (but not vote) on any education matter under consideration, subject always to observing the authority of the Chair.