

FALKIRK COUNCIL

Subject: REVIEW OF INCOME AND CHARGING
Meeting: SCRUTINY COMMITTEE
Date: 31 MARCH 2016
Author: DIRECTOR OF CORPORATE & HOUSING SERVICES

1 INTRODUCTION

- 1.1 This report follows on from the committee's decision on 3 December 2015 to request further information on Fees and Charges. The committee may also wish to note that as part of the budget process, it was identified that a review on the scope for enhanced income generation should be undertaken. This report sets out the information that was considered during the budget process. In addition, the report notes a need to review the existing concessions policy as part of the wider review of income and charging.

2 BACKGROUND

- 2.1 In October 2013 the Accounts Commission published a report entitled *Charging for Services: are you getting it right?* This report examined Councils' arrangements for setting charges and detailed a number of areas that should be considered when reviewing existing and new charges. Charging proposals coming forward from Services should therefore have due consideration to the proposals outlined in the report.
- 2.2 Members will be aware that as part of the consideration of the budget working group a briefing paper was presented which identified several areas where budget savings could be made by either increasing or introducing new charges for services provided. These were identified as part of last years budget process and will form part of each Service's savings proposals for the current budget review.

3 AUDIT SCOTLAND REPORT

- 3.1 As noted above, any charging proposals, including concessions, should be considered against the recommendation made by the Accounts Commission. Following recommended practice will help to justify and evidence that the Council has taken all relevant factors into consideration when amending or creating new charges. Although there will be areas that should be continually reviewed, the Council's existing arrangements picks up most of the points raised by the Accounts Commission.
- 3.2 The Council's budget process is a significant factor in demonstrating best practice and alignment with the Accounts Commission recommendations. In particular the report emphasises the role of Members in taking a lead role in setting charges with a checklist outlining the main areas for consideration (see Appendix 1).

4 INCOME CHARGES

- 4.1 A summary of the income raised by charges is shown at Appendix 2. In 2014/15 the Council raised **£19.6m** accounting for **3.7%** of the Council's gross revenue expenditure. Although it makes up a relatively small part of the Council's overall income, it is significant in the context of the Council's budget gap – i.e. a 5% general increase/reduction equates to £1.0m.
- 4.2 Appendix 3 provides a summary of the charging proposals which were put forward by Services as part of both the 2015/16 and 2016/17 budget exercises.
- 4.3 In line with the February budget report (para. 4.3), officers over the coming months will look at the scope for increased income generation, in particular looking at what the Council currently charges for and how this compares with other Councils. Once completed, the results of this work will be reported back to Members.

5 CONCESSIONS

- 5.1 Some years ago, in approving the Council's poverty strategy, council agreed a framework for concessions in charging. The Poverty strategy outlined that at consistent corporate approach on charging and concessions would:
- Improve access to services for those experiencing the greatest level of poverty through an entitlement passport;
 - Bring transparency, clarity and greater consistency to the process of determining charges and concessions through the application of agreed principles;
 - Ensure that better alignment with local outcomes and priorities is achieved;
 - Retain Service discretion in setting charges and concessions;
 - Ensure that decision-making on charging and concessions considers people experiencing poverty through the application of a Poverty Impact Assessment framework; and
 - Reflect the cost of providing a service whilst ensuring sustainability, having conducted a thorough fairness assessment.
- 5.2 The existing corporate policy was proposed to cover the majority of charges and concessions levied by the Council with the exception of Council Tax and Housing rent which are subject to a separate assessment and benefits regime. The policy excluded charges associated with planning and development control as these are the subject of national guidance and also excluded Social Work Services charges for care services as these were subject to a specific financial assessment. Separate nationally sponsored schemes are also excluded from the scope of this policy including:
- Concessionary travel for people over 60 and disabled people; and
 - Concessionary travel and other nationally determined benefits for young people who are Young Scot card holders.

- 5.3 The policy sets out the principles underpinning a corporate approach and also the entitlement to concessions. It is timeous that this policy is reviewed given some of the benefits that are included within the concessions have been subject to change. It is therefore proposed that as part of any review of income and charges, the concessions policy is also reviewed. Going forward, it is important to ensure the Concessions Policy is consistently applied to any new or amended charges.

6 CONCLUSIONS AND RECOMMENDATIONS

- 6.1 The Scrutiny Committee is asked to note the content of the report
- 6.2 Note that the Council's existing for charging and concessions will be compared against current best practice and reported as part of the ongoing budget process.

DIRECTOR OF CORPORATE & HOUSING SERVICES

Date: 16 March 2016

Contact Officers: Danny Cairney/Fiona Campbell

LIST OF BACKGROUND PAPERS

NIL

Questions for Councillors

Issue	Yes/No	Action
<ul style="list-style-type: none"> • Do you give strong direction over aims and priorities for charges (in areas where the council has discretion)? • Do you understand the non-financial contribution of charges, eg to behaviours and service uptake? • Do you get good information on costs including the costs of providing services and the contribution made from charges? • Do you know the extent to which services are subsidised across the council? • Are charges and concessions pitched at an appropriate level for people and businesses that use services? • Do you know where charges are used to generate extra income? • Are concessions taken up by the people they are aimed at? • Do officers provide you with sufficient guidance on options for using charges? • Do you understand the views of service-users and residents, and consult them over charges? • Are there areas where charges need to be reviewed? 		

(Extract from the Accounts Commission publication - *Charging for Services: are you getting it right?*)

Falkirk Council Charges - Summary

Appendix 2

Charge	2013/14 Actuals £000	2014/15 Actuals £000	%
School Meals	2,052	1,958	10.0%
School Meals - Adults	44	42	0.2%
Childcare Fees	974	1,038	5.3%
Breakfast Club Income	50	54	0.3%
Hall Hires	46	44	0.2%
Tuition Fees	114	99	0.5%
Canteen Income	51	51	0.3%
Other	81	163	0.8%
Children's Services	3,412	3,449	17.6%
Placement Charges	165	164	0.8%
Residential Homes - Falkirk Council	1,547	1,678	8.5%
Residential Homes - Other	6,471	6,486	33.0%
Non Residential Charges	1,171	1,206	6.1%
Respite Income	89	227	1.2%
Meals	123	167	0.9%
Complex Care	431	435	2.2%
Other	172	156	0.8%
Social Work Services	10,169	10,519	53.6%
Building Warrants	463	562	2.9%
Planning Applications	436	472	2.4%
Construction Consents	38	46	0.2%
Car Parking	408	395	2.0%
Fines & Fixed Penalties	26	25	0.1%
Dry Recyclate Income	228	190	1.0%
Trade Waste Income & Sale of Sacks	644	717	3.7%
Hackney Tests & MOT's	89	91	0.5%
External Pest Control Income	5	3	0.0%
Crematorium & Burial Grounds Income	1,534	1,789	9.1%
Other	48	49	0.2%
Development Services	3,919	4,339	22.1%
Service Charges on Unfurnished Properties	9	9	0.0%
Sign Factory Sales Income	408	316	1.6%
Site Fees - Travelling Persons Site	2	2	0.0%
Corporate & Housing Services	419	327	1.7%
Life Events (Civil Marriage/Naming Services)	65	62	0.3%
Statutory - Births, Deaths and Marriages	178	182	0.9%
Taxi Licences	143	147	0.7%
Licensing Board	155	160	0.8%
Gambling Fees	24	22	0.1%
Civic Licensing	50	51	0.3%
Miscellaneous Services	615	624	3.2%
Printworks (External Fees)	288	280	1.4%
Other	88	93	0.5%
Central Support Services	376	373	1.9%
Overall Council Total	18,910	19,631	100%

Summary of 2015/16 -2017/18 Corporate Savings - Income

Appendix 3

<u>No</u>	<u>Description</u>	<u>2015/16</u> <u>Saving</u> <u>£'000</u>	<u>2016/17</u> <u>Saving</u> <u>£'000</u>	<u>Total</u> <u>Savings</u> <u>£'000</u>
1	Schools Catering - Increase price by 15p/10p	100	100	200
2	Early Years - Full year effect of price increase in 2014/15 for baby provision	17		17
3	School Lets: Increase charges by 3% (Aligned to Falkirk Community Trust charges)	4	4	8
4	School Lets Charges: Full year effect of price increase in 2014/15	40		40
5	Childcare Fees : Increase by 5% & 4%	15	15	30
6	Breakfast Clubs: Increase charges by 5p	5		5
7	Increase existing non residential charges and charging caps in line with inflation	34	35	69
8	Introduce charges for day care for older people at a rate of £5 per week	28		28
9	Introduce eligibility criteria for transport accompanied by charges for transport provided	50		50
10	Inflationary uplift in charges for Older People's homes	35		35
11	Increase car parking charges by 30p	82		82
12	Increase in planning application fees	25		25
13	Street naming and numbering (new charges to developers/householders)	7		7
14	Bereavement Services - increase charges	100	50	150
15	Refuse Collection - Charge for bins in new housing developments	10	5	15
16	Pest Control - introduce charges for all residents	39		39

Summary of 2015/16 -2017/18 Corporate Savings - Income

Appendix 3

<u>No</u>	<u>Description</u>	<u>2015/16</u> <u>Saving</u> <u>£'000</u>	<u>2016/17</u> <u>Saving</u> <u>£'000</u>	<u>Total</u> <u>Savings</u> <u>£'000</u>
17	Refuse Collection - introduce charges for all Special Uplifts	227		227
18	Increase the charges for the Small Repair Scheme		87	87
		818	296	1,114