

COMMUNITY AND SOCIAL AFFAIRS COMMITTEE

19th SEPTEMBER 2012

REPORT OF HEAD OF CENTRAL SERVICES

A CORPORATE REVIEW OF CHARGES 2013-14

1.0 PURPOSE OF REPORT

- 1.1 To provide information on the various fees and charges that are made by this committee. Management Team have requested a full review of fees and charges following receipt of a report from Deloitte's in 2011-12, who carried out a review of all East Midlands' Councils' fees and charges.

2.0 RECOMMENDATIONS

- 2.1 **That the committee approves the proposed level of charges for 2013-14 for each of the services set out in the attached table to operate from 1st April 2013**

3.0 BACKGROUND

- 3.1 It was agreed at the meeting of the Budget & Strategic Planning Working Group on 20th June 2011 that in future charges would only be considered by members on an exception basis i.e. only new proposed charges or charges that were proposed to be increased above or below inflation would be considered by members in line with delegated authority set out in the constitution. Similarly statutory charges have not been included for consideration by members.
- 3.2 In 2011-12 Deloitte's carried out a review of all East Midlands Councils fees and charges. There were two separate reviews; one on Building Control fees and charges and the other covering a number of other fees and charges. A report on this review was considered by the Budget and Strategic Planning Working Group on the 19th June 2012. The review benchmarked the Council's fees and charges against other East Midlands Councils, and also where the Council was either not providing a service, or there was no charge for a service. The results of the Deloitte's review were presented to Management Team and have formed a basis for a full review of some existing charges including the proposal of new charges for where currently no charges are made and ultimately for the setting of fees and charges in 2013-14.
- 3.3 Appendix A shows the proposed charges for services that fall outside delegated authority. The table also summarises the financial objective of the current charging policy, the existing charges, the current level of any subsidy and the reason for the recommended charge.
- 3.4 There is a charging policy included in the MTFs; this should be used as a guideline when setting fees and charges. Although a revised policy including concessions has been drafted and will be considered by the Policy, Finance & Admin Committee (PFA) in September, there has been no fundamental changes that will impact on the fees recommended above.
- 3.5 Members should note that no charges are being presented to this committee in respect of Waterfield Leisure Pools as these will be considered after the refurbishment programme is completed and reported to a later meeting of this committee.

- 3.6 As part of the review process managers are asked to complete a “review of charges form for 2013-14” for each distinct charging area. The aim of this process is to gather background information to the charges being reviewed. A set of completed forms will be available at the meeting.
- 3.7 Appendix B shows the list of services that are currently provided free of charge, this is due to a number of reasons such as information being provided as a result of Freedom of Information requests, information being accessible via the website or there being limited demand.

Homelessness

- 3.8 The charges in respect of homelessness have not been changed. This reflects the fact that the charges impact on the most vulnerable who are already feeling the impact of the economic downturn. In addition any increases in charges are negated by lost benefit subsidy due to capping limits set by the Department for Work and Pensions.

Cemetery

- 3.9 The Deloitte's review identified a number of Cemetery charges that were in the lower quartile. Benchmarking of comparable authorities charges has been undertaken and have been taken into account when setting the recommended charges within Appendix A.
- 3.10 In addition a change is being proposed with respect to the banding of the charges made for late funerals which are included in Appendix A. The existing charges were based on the recovery of additional overtime costs incurred as a result of the funeral being at the time indicated. During the course of the year a number of challenges have been received regarding cemetery charges which has indicated that the present banding for charges may not be justifiable due to changes to the way the service is delivered. As a result changes are proposed to the bandings to make them more justifiable. This includes introducing a late charge in respect of burial of cremated remains. The introduction of the new bandings, whilst being more justifiable to users, would have brought in less income compared to that received in 2011/12 under the old charging regime of approximately £300.
- 3.11 The Deloitte's review also highlighted that 1 authority, within the East Midlands that make a charge for grave maintenance. To date this charge has been included within the cost of the purchase of the grave and officers have not included a charge for this service due to the operational difficulties in 'chasing' this charge, however, members are requested to consider whether this charge should be implemented in 2013/14 or officers explore options with a view to submitting a proposal to operate from 1st April 2014.
- 3.12 The cemetery charges do not cover the direct costs for the service and have been set with a view to:
1. Providing a competitive corporate service
 2. The general market rates as well as
 3. Some reference to direct and actual costs.

The rates currently charged reflect this approach with some charges benefitting from subsidies. In general, there are however, very few areas of the current cemetery service charges that are significantly out of step with the level of such charges in general.

It is planned to carry out a review of those charges with a view to apply justifiable increases from 2014/15 onwards, unless members request a more urgent review and a report back at the next Committee in January 2013.

4.0 POLICY & CORPORATE IMPLICATIONS

4.1 The fees and charges set out in this report are the ones that do not meet the charging policy set in line with corporate and service objectives; these vary according to the service provided. More detailed explanations on each service's corporate implications can be found on the forms available at the meeting.

5.0 FINANCIAL & OTHER RESOURCE IMPLICATIONS

5.1 Financial and resource implications have been addressed within paragraph 3. Once approved, these charges will be built into the 2013-14 revenue budget process.

5.2 Some services include chargeable and non chargeable elements. In line with the charging policy, the best estimate of under/over recovery of costs is included in Appendix A. Members may wish to review whether it is appropriate for those services receiving a subsidy to continue to do so.

5.3 Local Government funding continues to be reviewed and there is great uncertainty surrounding funding in later years although almost certainly will be reduced. This is reflected in the Council's MTFs and places a greater onus on the Council to seek to maximise its income from other sources.

6.0 LEGAL IMPLICATIONS/POWERS

6.1 Local Authorities have certain limited freedoms to charge for discretionary services under the Local Government Act 2003. Where appropriate any other relevant legislation is noted within the Appendix A to this report.

7.0 COMMUNITY SAFETY

7.1 There are no direct links to community safety arising from this report.

8.0 EQUALITIES

8.1 A revised equalities impact assessment (EIA) has been completed for a revised charging policy to be considered by PFA in September.

9.0 RISKS

9.1 A possible risk to the Council is that budgeted revenue income may not be achieved if services are not taken up due to any charges increase. Income budgets are regularly monitored and where a downturn in demand is identified appropriate action is taken.

10.0 CLIMATE CHANGE

10.1 There are no climate change issues directly arising from this report.

11.0 CONSULTATION

11.1 Budget Holders carried out the review with the assistance of the Service Accountant as required with reference to current budget monitoring protocols and the Deloitte's review.

12.0 WARDS AFFECTED

12.1 All wards are affected.

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Date: 5th September 2012

Appendices: Appendix A – Review of Fees and Charges
Appendix B – Services provided free of charge

Background Papers: Forms for the Review of Charges
Charging Policy

Reference: X:/Cttee, Council & Sub Cttees/CSA/2012-13/19-09-12/Review of Charges 2013-14