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## SCRUTINY BOARD (STRATEGY AND RESOURCES)

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Meeting to be held in Civic Hall, Leeds, LS1 1UR on  
Monday, 28th September, 2015 at 10.00 am

*(A pre-meeting will take place for ALL Members of the Board at 9.30 a.m.)*

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### MEMBERSHIP

#### Councillors

S Bentley - Weetwood;  
D Cohen - Alwoodley;  
C Dobson - Killingbeck and Seacroft;  
K Groves (Chair) - Middleton Park;  
H Hayden - Temple Newsam;  
J Jarosz - Pudsey;  
J McKenna - Armley;  
D Nagle - Rothwell;  
A Sobel - Moortown;  
T Wilford - Farnley and Wortley;  
R Wood - Calverley and Farsley;

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*Please note: Certain or all items on this agenda may be recorded*

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**Agenda compiled by:**  
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**Tel: 22 43094**

**Head of Scrutiny and Member**  
**Development:**  
**Peter Marrington**  
**Tel: 39 51151**

# A G E N D A

Item No	Ward/Equal Opportunities	Item Not Open		Page No
1			<p><b>APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</b></p> <p>To consider any appeals in accordance with Procedure Rule 25* of the Access to Information Procedure Rules (in the event of an Appeal the press and public will be excluded).</p> <p>(* In accordance with Procedure Rule 25, notice of an appeal must be received in writing by the Head of Governance Services at least 24 hours before the meeting).</p>	
2			<p><b>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</b></p> <p>1 To highlight reports or appendices which officers have identified as containing exempt information, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.</p> <p>2 To consider whether or not to accept the officers recommendation in respect of the above information.</p> <p>3 If so, to formally pass the following resolution:-</p> <p><b>RESOLVED –</b> That the press and public be excluded from the meeting during consideration of the following parts of the agenda designated as containing exempt information on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information, as follows:</p> <p><b>No exempt items have been identified.</b></p>	

Item No	Ward/Equal Opportunities	Item Not Open		Page No
3			<p><b>LATE ITEMS</b></p> <p>To identify items which have been admitted to the agenda by the Chair for consideration.</p> <p>(The special circumstances shall be specified in the minutes.)</p>	
4			<p><b>DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS</b></p> <p>To disclose or draw attention to any disclosable pecuniary interests for the purposes of Section 31 of the Localism Act 2011 and paragraphs 13-16 of the Members' Code of Conduct.</p>	
5			<p><b>APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES</b></p> <p>To receive any apologies for absence and notification of substitutes.</p>	
6			<p><b>MINUTES - 20 JULY 2015</b></p> <p>To confirm as a correct record, the minutes of the meeting held on 20<sup>th</sup> July 2015.</p>	1 - 4
7			<p><b>FEES AND CHARGES</b></p> <p>To undertake the first Inquiry session into fees and charges.</p>	5 - 38
8			<p><b>WORK SCHEDULE</b></p> <p>To consider the Scrutiny Board's work schedule for 2015/16 municipal year.</p>	39 - 44
9			<p><b>DATE AND TIME OF NEXT MEETING</b></p>	

Item No	Ward/Equal Opportunities	Item Not Open		Page No
			<p><b>THIRD PARTY RECORDING</b></p> <p>Recording of this meeting is allowed to enable those not present to see or hear the proceedings either as they take place (or later) and to enable the reporting of those proceedings. A copy of the recording protocol is available from the contacts on the front of this agenda.</p> <p>Use of Recordings by Third Parties – code of practice</p> <ul style="list-style-type: none"> <li>a) Any published recording should be accompanied by a statement of when and where the recording was made, the context of the discussion that took place, and a clear identification of the main speakers and their role or title.</li> <li>b) Those making recordings must not edit the recording in a way that could lead to misinterpretation or misrepresentation of the proceedings or comments made by attendees. In particular there should be no internal editing of published extracts; recordings may start at any point and end at any point but the material between those points must be complete.</li> </ul>	

## SCRUTINY BOARD (STRATEGY AND RESOURCES)

**MONDAY, 20TH JULY, 2015**

**PRESENT:** Councillor K Groves in the Chair

Councillors S Bentley, D Cohen, C Dobson,  
M Harland, H Hayden, J Jarosz, D Nagle,  
A Sobel, T Wilford and R Wood

### **10 Late Items**

There were no late items.

### **11 Declaration of Disclosable Pecuniary Interests**

There were no disclosable pecuniary interests declared to the meeting.

### **12 Apologies for Absence and Notification of Substitutes**

An apology for absence was received from Councillor J McKenna. Councillor M Harland substituted.

### **13 Minutes - 22 June 2015**

**RESOLVED** – That the minutes of the meeting held on 22 June 2015 be confirmed as a correct record.

### **14 Effective Procurement and Contract Management**

The Chief Officer, Projects Programmes and Procurement and the Chief Officer Parks and Countryside submitted a joint report detailing work undertaken to manage waivers, extensions and contract management and also efforts made to reduce off and non-contract spend.

The following were in attendance to respond to Members' questions:

- David Outram, Chief Officer, Projects Programmes and Procurement
- Sean Flesher, Chief Officer, Parks and Countryside
- Louise Hornsey, Principal Audit Manager.

In summary, the main areas of discussion were:

- Background on the refreshed procurement policy, called 'Effective procurement'.
- Background information on the level of actual contract spend and number of contracts in the financial year across Directorates.
- The respective roles and responsibilities of Directorates and the central procurement function.

- The role of YORtender and its promotion locally.
- Good practice around contract extensions and the findings of Internal Audit's review of this area and their subsequent recommendations.
- Good practice around waivers and the measures now in place to report and record waivers.
- Non and off-contract spend and the ongoing work within PPPU to reducing non and off-contract spend.
- The risks associated with non-contract spend including legal liabilities.
- The amount of expenditure on non-contracts and the missed opportunities for savings.
- The barriers faced by officers in making correct procurement decisions including internal resources.
- Actions available to encourage Contract Procedure Rules compliance by officers.
- Contract management and the organisation of contract management in the Council, including levels of training and scope to improve contract management within directorates through the encouragement of professional standards, career families for contract managers.
- The added social worth of contracts and the Council's ability to stipulate conditions.
- The internal management of the Council's commissioning processes and the acknowledgement that this was a separate item within the Board's work schedule.
- The use of P-Cards.

**RESOLVED –**

- (i) That the Board notes the contents of the report
- (ii) That a working group be arranged, if possible, prior to the September meeting to continue scrutiny in this area
- (iii) That the Board writes to the Chief Officer HR with the recommendation that the concept of a career family for contract managers be investigated along with other training opportunities
- (iv) That additional information be obtained in relation to P-Cards
- (v) That additional information is obtained and the Council's ability to stipulate certain conditions within contracts.

**15 Work Schedule**

The Head of Scrutiny and Member Development submitted a report which provided information regarding the Board's work schedule. Draft terms of reference were also submitted into an Inquiry into income generation.

**RESOLVED –**

- (i) To note the Board's work schedule
- (ii) To agree terms of reference into an inquiry into income generation.

(iii) That a working group be arranged, if possible, prior to the September meeting to continue scrutiny in relation to Effective Procurement and Contract Management.

**16 Date and Time of Next Meeting**

Monday, 28 September 2015 at 10.00am (Pre-meeting for all Board Members at 9.30am)

(The meeting concluded at 11.30am).

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Report author: Steve Clough and Peter Marrington

Tel: 39 51151

## Report of Head of Revenue Savings Programme and Head of Scrutiny and Member Development

### Report to Scrutiny Board (Strategy and Resources)

**Date: 28<sup>th</sup> September 2015**

**Subject: Fees and Charges**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

## Background

1. At the Board's July meeting, Members agreed to undertake an Inquiry into income generation. The agreed terms of reference provided the rationale behind the Inquiry. These focused on the belief that a critical examination of fees and charges may be an effective way to help ease budget pressures and focus spend and subsidy on the highest priorities and therefore help deliver the Council's Best Council Plan by;

**Targeting subsidy at top priorities** – by recovering more of the cost of lower priority services, resources become available for higher priorities

**Targeting subsidy at those groups in greatest need** – well designed charges can help ensure that those least able to pay can still access services

**Improving services** – Additional income can be used for investment in improving facilities

**Delivering corporate priorities** – charges can help to deliver corporate priorities, for example, leisure charging can support strategies to improve health and well being

**Generating income** – additional income can be generated by varying fees and charges. The council can also review the extent to which discretionary services should continue to be provided free of charge

**Managing demand for services** – Well designed charges can improve access to services for key target groups

**Changing behaviours** – charges can be used to influence behaviour in order to meet council objectives e.g. varying charges for sport participation to support our public health priorities.

2. It was agreed by the Board that the purpose of the Inquiry was to make an assessment of and, where appropriate, make recommendations on the following areas:
  - Current principles for charging and a review of the Fees and Charges Policy
  - Current levels of charging and/or subsidy for discretionary services
  - Options for increased levels or new sources of income
  
3. It was further agreed by Members that the focus of their work would be around income and fees rather than trading services. As a general principle a traded charge is one that is made to an organisation whereas a fee/charge is one made against an individual. There may be exceptions to this rule but they should be small in number.

## Main Issues

4. By way of context, the table below shows the level of income from sales, fees and charges by directorate. These figures include assessed contributions to adult social care services.

## Income by Directorate

Source of Income	Sales, fees and other income 15/16 (£)
Adult Social Care	28,165,200
Children's Services	20,428,760
Citizens and Communities	4,738,840
City Development	27,057,770
Civic Enterprise Leeds	2,888,620
Environment & Housing	23,374,540
Public Health	1,680
Strategy and Resources	851,040
Strategic and Central Accounts	666,000
<b>General Fund Sub Total</b>	<b>108,172,450</b>

5. Attached at Appendix 1 is a comparative analysis of the Core Cities fees and charges using 2013/14 'Value for Money' profile data *It is Important to note that comparing*

*levels of fees and charges income is notoriously difficult because of the varying treatment of income in council accounts and the wide variety of charges made. Note also that these figures relate to 2013/14 and are per head of population rather than by any particular client groups. Consequently some caution needs to be applied when making comparisons. Furthermore councils need to set their charges in the context of their wider service objectives and therefore may deliberately set lower charges in some areas to achieve specific local objectives.*

6. However where significant differences are identified they probably warrant closer examination to see if opportunities for improvement exist. For example could the lower parking income be explained by our limited use of residents and visitor parking charges or not making charges for parking at district centres? Could lower waste management income be explained by our provision of free bulky collections and not providing a trade refuse service? Examination of these issues might help identify additional income opportunities.
7. Some key facts include:
  - Leeds is ranked 5<sup>th</sup> in terms of all income from fees and charges per head of population (php). (£207 php compared with highest £262 php and average £210 php). This is an improvement on our previous position of 8<sup>th</sup> in 2012/13.
  - Fees and charges income relating to early years and schools is significantly lower than average. £28 php compared with average of £36 php.
  - Leeds is ranked 7<sup>th</sup> for income from SEN, learner support (including home to school transport), access (including music and outdoor education) and LEA functions.
  - Leeds ranks 6<sup>th</sup> out of 8 for Adult Social Care income from fees and charges (£36php) but does not vary significantly from the average (£37 php).
  - Leeds is ranked 1<sup>st</sup> for fees and charges income from children's social care (£17 php).
  - Parking services income is significantly lower than average. £16 php compared with £29 php.
  - Housing services income ranks 5<sup>th</sup> at £2 php compared with average £5 php.
  - Leeds has the highest fees and charges income from all cultural services out of all the core cities (£28 php). The only area below average is libraries.
  - Leeds ranks 8<sup>th</sup> for environmental and regulatory services fees and charges income and varies very significantly from the core city average - £13 php compared with an average of £21 php.
8. As well as charging levels it is important to have a clear understanding of costs and subsidy. Where full costs are not recovered we effectively subsidise the service or arguably local tax payers subsidise it. We only have limited money to

provide subsidies and we should ensure that this is targeted at the highest priority areas.

9. Our analysis suggests that the level to which we subsidise individual services as well as cumulative subsidy is poorly understood and not very transparent. There is limited evidence of explicit decisions being made about the level of subsidy that is appropriate or to which services a subsidy should be applied.
10. Another potential reason for our lower comparative income from fees and charges is that we choose not to make charges for services that some other local authorities charge for i.e. we provide a 100% subsidy. Examples of such services are: bulky collections; replacement wheelie bins; garden refuse collection; residents parking permits; pre-application planning advice; and parking at district centres and visitor attractions.
11. Overall, the Councils' income per head of population is £3 lower than the average, which equates to £2.25m per annum.

#### Fees and charges policy

12. The Board was also of the view that developing clear principles for charging helps overcome the barriers and controversies that tend to dominate charging debates. Leeds has a Fees and Charges Policy (Appendix 2) however it has not been reviewed for at least five years and is in need of refreshing. A number of authorities have developed such policies and set out some key principles that should be followed across the council to ensure a consistent approach. The key elements include:
  - Why the council charges for services e.g. to generate income/change behaviours/target certain groups
  - The different forms of charging
  - The role of Members in setting charges
13. Suggested areas for improvement include: providing better advice on provision of clear financial information; securing greater involvement of members in settings fees and charges; adoption of a clearer policy on concessions; and defining a more strategic approach to setting fees and charges.

#### **Recommendations**

14. Members are asked to consider the information provided taking particular note of;
  - (i) The comparative analysis of core cities fees and charges
  - (ii) The current Fees and Charging Policy

Members are also requested to agree what further information is required to enable the Board to undertake its agreed Inquiry.

## **Background documents<sup>1</sup>**

None used

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

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### Introduction

The analysis of standard data in the Value for Money Profiles 2015 identified that Leeds' ranked 5<sup>th</sup> out of 8 in terms of sales, fees and charges per head of population when compared with the other seven core city authorities in 2013/14. This is broken down in the table below:

#### Breakdown of Sales, Fees and Charges per head of population

Core City	Education Services		Highways, Roads & Transport Services		Children's Social Care		Adult Social Care	
Birmingham	£49.56	3	£18.45	8	£0.95	=4	£40.81	4
Bristol	£30.01	6	£33.71	5	£0.81	6	£9.93	8
<b>Leeds</b>	<b>£32.28</b>	<b>5</b>	<b>£48.81</b>	<b>3</b>	<b>£17.30</b>	<b>1</b>	<b>£35.61</b>	<b>5</b>
Liverpool	£56.49	2	£23.50	6	£0.85	5	£15.40	7
Manchester	£41.86	4	£36.99	4	£0.95	=4	£38.08	6
Newcastle	£28.60	7	£64.44	2	£4.31	2	£56.14	1
Nottingham	£15.82	8	£76.75	1	£0.05	7	£51.32	2
Sheffield	£72.24	1	£19.32	7	£3.11	3	£49.15	3

Core City	Public Health		Housing Services (GF only)		Cultural and Related Services		Environmental and Regulatory Services	
Birmingham	-	6	£0.97	7	£14.82	7	£24.04	3
Bristol	£0.70	3	£7.62	3	£15.83	6	£15.91	7
<b>Leeds</b>	<b>-</b>	<b>7</b>	<b>£2.17</b>	<b>5</b>	<b>£27.64</b>	<b>1</b>	<b>£13.15</b>	<b>8</b>
Liverpool	£1.14	1	£3.31	4	£25.16	3	£19.73	4
Manchester	£0.01	5	£13.05	2	£22.13	5	£15.96	6
Newcastle	-	8	£14.57	1	£22.53	4	£28.39	2
Nottingham	£0.76	2	£1.07	6	£27.61	2	£29.15	1
Sheffield	£0.07	4	£0.63	8	£5.91	8	£19.36	5

Core City	Planning and Development Services		Central Services		Other Services		Total	
Birmingham	£3.87	7	£51.54	2	£4.03	2	<b>£209.05</b>	<b>4</b>
Bristol	£3.14	8	£10.70	8	-	7	<b>£128.37</b>	<b>8</b>
<b>Leeds</b>	<b>£6.28</b>	<b>5</b>	<b>£15.05</b>	<b>6</b>	<b>£9.01</b>	<b>1</b>	<b>£207.29</b>	<b>5</b>
Liverpool	£16.57	1	£99.58	1	-	8	<b>£261.73</b>	<b>1</b>
Manchester	£8.75	3	£24.56	3	£0.65	5	<b>£202.99</b>	<b>6</b>
Newcastle	£5.47	6	£11.30	7	£1.37	1	<b>£237.10</b>	<b>3</b>
Nottingham	£10.58	2	£21.57	4	£2.61	3	<b>£237.28</b>	<b>2</b>
Sheffield	£7.49	4	£19.09	5	£0.24	6	<b>£196.61</b>	<b>7</b>

A further analysis has been undertaken to identify service areas where the core cities are charging a higher rate for specific services or are charging for services where Leeds does not currently charge. Each area of spend in this report is included in RO Form order, which is:

- RO1 – Education Services
- RO2 – Highways, Roads and Transport Services
- RO3 – Social Care
- RO4 – Housing Services
- RO5 – Cultural, Environmental, Regulatory and Planning Services
- RO6 – Protective, Central and Other Services

## Education Services

### Schools

Fees and charges relating to early years, primary schools, secondary schools and special schools.

Ranking	Core City	£ Per Head	Potential New Fees and Charges
1	Sheffield	£66.26	None found
2	Liverpool	£52.52	
3	Birmingham	£42.92	
4	Manchester	£39.02	<b>Areas with Lower Than Average Charges</b>
<b>5</b>	<b>Leeds</b>	<b>£28.25</b>	None found
6	Newcastle	£24.39	
7	Bristol	£23.84	
8	Nottingham	£11.27	

### Services to Young People and Other Community Learners

Fees and charges relating to adult and community education, youth services and student support

Ranking	Core City	£ Per Head	Potential New Fees and Charges
1	Birmingham	£3.68	None found
2	Newcastle	£2.35	
<b>3</b>	<b>Leeds</b>	<b>£2.12</b>	
4	Bristol	£1.44	<b>Areas with Lower Than Average Charges</b>
5	Sheffield	£1.20	None found
6	Manchester	£0.24	
7	Liverpool	£0.18	
8	Nottingham	-	

### Other Strategic Functions

Fees and charges relating to special educational needs, learner support (incl. home to school transport), access (incl. music services and outdoor education (environmental and field studies)) and LEA functions.

Ranking	Core City	£ Per Head	Potential New Fees and Charges
1	Sheffield	£4.81	<ul style="list-style-type: none"> <li>Contribution to Post 16 home to school/college transport</li> </ul>
2	Bristol	£4.78	
3	Nottingham	£4.58	
4	Liverpool	£3.80	<b>Areas with Lower Than Average Charges</b>
5	Birmingham	£2.97	None found
6	Manchester	£2.62	
<b>7</b>	<b>Leeds</b>	<b>£1.92</b>	
8	Newcastle	£1.89	

\*Includes outdoor education service, but this closed at the beginning of 2014/15.



## Highways, Roads and Transport Services

### Transport Planning, Policy and Strategy

Fees and charges relating to the formulating highways, roads and transport plans and policy, research, monitoring street works, traffic regulation orders and the enforcing of and making maps of public rights of way.

Ranking	Core City	£ Per Head	Potential New Fees and Charges
<b>1</b>	<b>Leeds</b>	<b>£6.45</b>	None found  <b>Areas with Lower Than Average Charges</b> <ul style="list-style-type: none"> <li>• Temporary traffic regulation orders</li> </ul>
2	Newcastle	£5.41	
3	Sheffield	£3.19	
4	Nottingham	£1.96	
5	Liverpool	£0.72	
6	Bristol	£0.19	
7	Birmingham	£0.16	
8	Manchester	-	

### Highways and Roads – Maintenance

Fees and charges relating to the structural, environmental, safety and routine maintenance of public roads and bridges, winter services and street lighting.

Ranking	Core City	£ Per Head	Potential New Fees and Charges
1	Liverpool	£5.34	None found  <b>Areas with Lower Than Average Charges</b> None found
<b>2</b>	<b>Leeds</b>	<b>£5.16</b>	
3	Newcastle	£2.55	
4	Manchester	£2.51	
5	Bristol	£1.78	
6	Birmingham	£1.26	
=7	Nottingham	£0.10	
=7	Sheffield	£0.10	

### Traffic Management and Road Safety

Fees and charges relating to congestion charging, road safety education, safe routes (Inc. school crossing patrols), traffic management planning and scheme design and traffic monitoring

Ranking	Core City	£ Per Head	Potential New Fees and Charges
<b>1</b>	<b>Leeds</b>	<b>£21.06</b>	None found  <b>Areas with Lower Than Average Charges</b> None found
2	Manchester	£5.81	
3	Nottingham	£4.50	
4	Sheffield	£2.78	
5	Liverpool	£1.58	
6	Bristol	£0.78	
7	Birmingham	£0.59	
8	Newcastle	-	

## Parking Services

Fees and charges relating to on-street (including parking meters, residents and business parking permit schemes and traffic wardens), off-street parking and enforcement.

Ranking	Core City	£ Per Head	Potential New Fees and Charges
1	Nottingham	£60.73	• Residential Permits
2	Newcastle	£47.38	• Business Permits
3	Bristol	£30.41	• Season Tickets
4	Manchester	£28.68	• Vehicle release fees and storage charges (vehicle removals)
5	Birmingham	£16.44	• Workplace parking levy (on employers)
<b>6</b>	<b>Leeds</b>	<b>£16.14</b>	<b>Areas with Lower Than Average Charges</b>
7	Liverpool	£15.85	None found
8	Sheffield	£13.24	

## Social Care

### Children's Social Care

Fees and charges relating to children's service strategy, commissioning and social work, children looked after (including residential care, short breaks (respite) for children looked after and leaving care support services), family support services (including short breaks (respite) for disabled children, substance misuse services, teenage pregnancy services), youth justice (including secure accommodation (justice) and, youth offender teams), adoption services and special guardianship support.

Ranking	Core City	£ Per Head	Potential New Fees and Charges
1	Leeds	£17.30	None found
2	Newcastle	£4.31	
3	Sheffield	£3.11	
=4	Birmingham	£0.95	<b>Areas with Lower Than Average Charges</b>
=4	Manchester	£0.95	None found
5	Liverpool	£0.85	
6	Bristol	£0.82	
7	Nottingham	£0.05	

### Adult Social Care

Fees and charges relating to adult social care strategy, services for older people (aged 65 or over), services for adults with a physical disability or sensory impairment (aged under 65), services for adults with learning disabilities (aged under 65) and services for adults with mental health needs (aged under 65). This includes assessment and care management, nursing care and residential care placements, supported and other accommodation, home care, day care/day services, equipment and adaptations and meals.

Ranking	Core City	£ Per Head	Potential New Fees and Charges
1	Newcastle	£56.14	None found
2	Nottingham	£51.32	
3	Sheffield	£49.15	
4	Birmingham	£40.81	<b>Areas with Lower Than Average Charges</b>
5	Manchester	£38.08	None found
6	Leeds	£35.61	
7	Liverpool	£15.40	
8	Bristol	£9.93	

## Housing Services

### Housing Strategy and Housing Advances

Fees and charges relating to housing strategy, housing advice to people housed privately, enabling functions and housing advances.

Ranking	Core City	£ Per Head	Potential New Fees and Charges
1	Newcastle	£9.71	None found
2	Manchester	£1.21	
3	Bristol	£0.80	<b>Areas with Lower Than Average Charges</b>
4	Sheffield	£0.35	
5	Liverpool	£0.24	
<b>6</b>	<b>Leeds</b>	<b>£0.04</b>	None found
=7	Birmingham	-	
=7	Nottingham	-	

### Private Sector Housing Renewal

Fees and charges relating to the administration of financial support for repairs and improvements, private sector housing renewal activity, management orders, prohibition and improvement notices, empty homes and dwellings and slum clearance.

Ranking	Core City	£ Per Head	Potential New Fees and Charges
1	Bristol	£2.05	<ul style="list-style-type: none"> <li>Landlord development programme</li> </ul>
2	Newcastle	£1.88	
3	Nottingham	£1.05	<b>Areas with Lower Than Average Charges</b>
4	Birmingham	£0.89	
<b>5</b>	<b>Leeds</b>	<b>£0.49</b>	
6	Sheffield	£0.07	<ul style="list-style-type: none"> <li>Selective licensing of private rented properties (Not HMO)</li> </ul>
7	Liverpool	£0.03	
8	Manchester	-	

### Homelessness

Fees and charges related to temporary accommodation (including private managed accommodation leased by the council and by RSLs, hostels, bed and breakfast accommodation and provided directly with a private landlord), homelessness administration, prevention and support.

Ranking	Core City	£ Per Head	Potential New Fees and Charges
1	Manchester	£8.68	None found
2	Liverpool	£2.77	
3	Bristol	£1.14	<b>Areas with Lower Than Average Charges</b>
4	Newcastle	£1.12	
5	Sheffield	£0.18	
<b>6</b>	<b>Leeds</b>	<b>£0.14</b>	None found
=7	Birmingham	-	
=7	Nottingham	-	

## Other Council Property

Fees and charges relating to other council property, including travellers' sites and non-HRA council property.

Ranking	Core City	£ Per Head	Potential New Fees and Charges
<b>1</b>	<b>Leeds</b>	<b>£0.37</b>	None found
2	Liverpool	£0.14	
3	Bristol	£0.11	
4	Birmingham	-	<b>Areas with Lower Than Average Charges</b>
5	Manchester	-	None found
6	Newcastle	-	
7	Nottingham	-	
8	Sheffield	-	

## Housing Welfare

Fees and charges relating to supporting people welfare services and essential care services provided by wardens in sheltered housing.

Ranking	Core City	£ Per Head	Potential New Fees and Charges
1	Bristol	£3.52	None found
2	Manchester	£2.40	
2	Newcastle	£1.85	
4	Liverpool	£0.12	<b>Areas with Lower Than Average Charges</b>
5	Bristol	£0.08	None found
6	Sheffield	£0.01	
<b>7</b>	<b>Leeds</b>	-	
8	Nottingham	-	

## Culture and Related Services

### Culture and Heritage

Fees and charges relating to archives, arts development and support, heritage, museums and galleries, theatres and public entertainment (including concert and dance halls, maintaining a band or orchestra and arranging and promoting events, e.g. concerts, opera, pantomimes, etc.).

Ranking	Core City	£ Per Head	Potential New Fees and Charges
1	Nottingham	£9.18	<ul style="list-style-type: none"> <li>Filming and photography licences (daily, weekly &amp; annual)</li> <li>Guided tours (with a trained volunteer guide)</li> </ul>
2	Manchester	£5.44	
<b>3</b>	<b>Leeds</b>	<b>£4.66</b>	<p><b>Areas with Lower Than Average Charges</b> None found</p>
4	Bristol	£3.43	
5	Newcastle	£3.35	
6	Liverpool	£1.84	
7	Sheffield	£0.42	
8	Birmingham	£0.05	

### Recreation and Sport

Fees and charges relating to community centres and public halls, foreshore, sports development and community recreation, indoor sports and recreation facilities, outdoor sports and recreation facilities and golf courses.

Ranking	Core City	£ Per Head	Potential New Fees and Charges
1	Liverpool	£19.92	<ul style="list-style-type: none"> <li>Swimming lessons – private tuition</li> <li>Tennis coaching (12 week courses / 6 week courses)</li> <li>Horse riding</li> <li>BMX race track</li> <li>Spa, sauna and/or steam room</li> </ul>
<b>2</b>	<b>Leeds</b>	<b>£17.67</b>	
3	Newcastle	£15.06	<p><b>Areas with Lower Than Average Charges</b>  <ul style="list-style-type: none"> <li>First aid courses (candidate rate)</li> </ul> </p>
4	Manchester	£14.47	
5	Nottingham	£14.35	
6	Birmingham	£11.91	
7	Bristol	£3.55	
8	Sheffield	£2.40	

### Open Spaces

Fees and charges related to community parks and open spaces, countryside and recreation management and allotments

Ranking	Core City	£ Per Head	Potential New Fees and Charges
1	Bristol	£7.84	<ul style="list-style-type: none"> <li>Educational sessions / tours by park rangers</li> <li>Fishing</li> <li>Parking charges</li> </ul>
<b>2</b>	<b>Leeds</b>	<b>£4.20</b>	
3	Nottingham	£3.32	<p><b>Areas with Lower Than Average Charges</b></p> <ul style="list-style-type: none"> <li>Allotments (variable sizes)</li> <li>Events in parks (no list of charges for LCC to compare prices)</li> <li>Filming in parks (no list of charges for LCC to compare prices)</li> <li>Room hire / exhibition space hire</li> </ul>
4	Birmingham	£2.39	
5	Newcastle	£2.35	
6	Liverpool	£1.85	
7	Sheffield	£1.59	
8	Manchester	£1.48	

## Tourism

Fees and charges related to tourism policy, marketing and development and visitor centres.

Ranking	Core City	£ Per Head	Potential New Fees and Charges
1	Liverpool	£0.87	None found
2	<b>Leeds</b>	<b>£0.35</b>	
3	Sheffield	£0.16	
4	Manchester	£0.07	<b>Areas with Lower Than Average Charges</b>
5	Birmingham	-	None found
6	Bristol	-	
7	Newcastle	-	
8	Nottingham	-	

## Libraries

Fees and charges related to library buildings (including room hire) and mobile and household library services.

Ranking	Core City	£ Per Head	Potential New Fees and Charges
1	Newcastle	£1.76	<ul style="list-style-type: none"> <li>Internet use – charge for non-members</li> </ul>
2	Sheffield	£1.34	<ul style="list-style-type: none"> <li>Group visits, talks and lectures</li> </ul>
3	Bristol	£1.01	
4	<b>Leeds</b>	<b>£0.76</b>	<b>Areas with Lower Than Average Charges</b>
5	Nottingham	£0.75	<ul style="list-style-type: none"> <li>Meeting room hire at branch libraries to community groups</li> </ul>
6	Liverpool	£0.69	
7	Manchester	£0.67	
8	Birmingham	£0.47	

## Environmental and Regulatory Services

### Cemetery, Cremation and Mortuary Services

Fees and charges related to cemeteries, crematoria, mortuaries (including post-mortem services) and closed churchyards.

Ranking	Core City	£ Per Head	Potential New Fees and Charges
1	Liverpool	£9.69	<ul style="list-style-type: none"> <li>Scattering of ashes (currently included in cremation fees)</li> <li>Surcharge for over-running services</li> <li>Late arrival/commencement (over 15 or 30 minutes)</li> <li>Exhumation (various)</li> <li>Saturday / Sunday cremations</li> </ul> <p><b>Areas with Lower Than Average Charges</b></p> <ul style="list-style-type: none"> <li>Exclusive right to burial fees at longer period for higher fee</li> <li>Charges for non-residents (currently standard +50%, average standard +100%)</li> </ul>
2	Newcastle	£8.82	
<b>3</b>	<b>Leeds</b>	<b>£7.58</b>	
4	Birmingham	£7.39	
5	Bristol	£7.25	
6	Nottingham	£6.09	
7	Sheffield	£5.39	
8	Manchester	£4.93	

### Pest Control and Environmental Health

Fees and charges related to pest control services, water safety, food safety (including hygiene inspections and food hygiene courses), environmental protection, noise pollution, air pollution, contaminated land, fly-tipping, environmental crime and health and safety.

Ranking	Core City	£ Per Head	Potential New Fees and Charges
1	Newcastle	£1.70	<ul style="list-style-type: none"> <li>Pest proofing to domestic properties</li> <li>Pest control services to commercial properties (various)</li> <li>Food safety/hygiene training</li> <li>Environmental enquiry service reports</li> <li>Health and safety – incident investigation factual statements</li> </ul> <p><b>Areas with Lower Than Average Charges</b></p> <ul style="list-style-type: none"> <li>Wasps nests</li> <li>Squirrels/moles</li> <li>Bedbugs</li> </ul>
2	Manchester	£1.28	
3	Sheffield	£0.74	
4	Birmingham	£0.66	
5	Bristol	£0.53	
<b>6</b>	<b>Leeds</b>	<b>£0.45</b>	
7	Liverpool	£0.34	
8	Nottingham	£0.32	

### Licensing

Fees and charges relating to the issue of licences for animal welfare, alcohol and entertainment, street trading and shops, skips, scaffolding and hoardings and hackney carriages, minicabs and other private hire vehicles.

Ranking	Core City	£ Per Head	Potential New Fees and Charges
1	Manchester	£6.55	<ul style="list-style-type: none"> <li>Massage and Special Treatment Licences</li> <li>Car Boot Licences</li> </ul> <p><b>Areas with Lower Than Average Charges</b></p> <ul style="list-style-type: none"> <li>Gambling Act 2005 – Premises Licences</li> <li>Acupuncture, Tattooing, Piercing and Electrolysis Licences</li> <li>Animal Welfare Licences</li> <li>Civil Ceremony or Wedding Venue Licences</li> <li>Scrap Metal Dealers Licences (Site and Collectors)</li> </ul>
2	Newcastle	£4.51	
3	Nottingham	£4.26	
4	Liverpool	£3.96	
<b>5</b>	<b>Leeds</b>	<b>£3.56</b>	
6	Birmingham	£3.02	
7	Sheffield	£2.93	
8	Bristol	£1.97	



## Other Regulatory Services

Fees and charges related to trading standards, port health, public conveniences and housing standards (including licensing of houses in multiple occupations (HMOs)).

Ranking	Core City	£ Per Head	Potential New Fees and Charges
1	Nottingham	£3.39	None found
2	Liverpool	£2.16	
<b>3</b>	<b>Leeds</b>	<b>£0.61</b>	
4	Newcastle	£0.55	<b>Areas with Lower Than Average Charges</b>
5	Birmingham	£0.32	None found
6	Manchester	£0.17	
7	Sheffield	£0.07	
8	Bristol	£0.03	

## Community Safety

Fees and charges related to crime reduction, safety services and CCTV.

Ranking	Core City	£ Per Head	Potential New Fees and Charges
1	Bristol	£1.76	None found
2	Liverpool	£1.14	
3	Manchester	£0.82	
<b>4</b>	<b>Leeds</b>	<b>£0.80</b>	<b>Areas with Lower Than Average Charges</b>
5	Nottingham	£0.48	None found
6	Newcastle	£0.45	
7	Sheffield	£0.44	
8	Birmingham	£0.37	

\*Income for community safety allocated to RO Forms against 'other income' rather than income from sales, fees and charges (£12.164m or £16.05 per head of population).

## Street Cleansing (not chargeable to highways)

Fees and charges related to street cleansing, sweeping and removal of litter and refuse from land and litter bins in public areas, collection of illegally fly-tipped rubbish, removal of dead animals, removal of abandoned vehicles that do not constitute a traffic hazard and graffiti removal.

Ranking	Core City	£ Per Head	Potential New Fees and Charges
1	Nottingham	£0.87	None found
2	Newcastle	£0.37	
3	Birmingham	£0.31	
4	Manchester	£0.15	<b>Areas with Lower Than Average Charges</b>
<b>=5</b>	<b>Leeds</b>	<b>£0.02</b>	None found
=5	Sheffield	£0.02	
6	Bristol	£0.01	
7	Liverpool	-	

## Waste Management

Fees and charges related to waste collection (including garden waste, bulky items and clinical or hazardous waste), waste strategy, waste disposal (including civic amenity sites and the trading of landfill allowances), trade waste, recycling, waste minimisation and climate change.

Ranking	Core City	£ Per Head	Potential New Fees and Charges
1	Nottingham	£13.74	• Domestic bulky waste collection
2	Newcastle	£11.98	• Green waste / garden waste collection
3	Birmingham	£11.92	• Skip hire
4	Sheffield	£9.77	• Trade waste
5	Bristol	£4.35	<b>Areas with Lower Than Average Charges</b>
6	Liverpool	£2.43	None found
7	Manchester	£2.06	
<b>8</b>	<b>Leeds*</b>	<b>£0.05</b>	

\*Income for waste management allocated to RO Forms against 'other income' rather than income from sales, fees and charges (£1.473m or £1.93 per head of population).

## Planning and Development Services

### Building Control

Fees and charges relating to building regulations, enforcement, pre-submission advice, structural design, fire safety and energy auditing and planning condition checks and enforcement.

Ranking	Core City	£ Per Head	Potential New Fees and Charges
1	Manchester	£1.61	None found
2	Bristol	£1.54	
<b>3</b>	<b>Leeds</b>	<b>£1.52</b>	<b>Areas with Lower Than Average Charges</b> None found
4	Sheffield	£1.29	
5	Nottingham	£1.02	
6	Newcastle	£0.28	
7	Liverpool	£0.26	
8	Birmingham	£0.11	

### Development Control

Fees and charges related to planning advice, dealing with applications, enforcement and regulation of other special topics (including minerals and waste control).

Ranking	Core City	£ Per Head	Potential New Fees and Charges
1	Liverpool	£6.46	None found
<b>2</b>	<b>Leeds</b>	<b>£4.61</b>	<b>Areas with Lower Than Average Charges</b> <ul style="list-style-type: none"> <li>Pre-application Discussions</li> </ul>
3	Manchester	£3.95	
4	Nottingham	£3.54	
5	Sheffield	£3.43	
6	Birmingham	£2.45	
7	Bristol	£0.43	
8	Newcastle	£0.10	

### Planning Policy

Fees and charges related to conservation and listed buildings planning policy, regional and sub-regional planning, local development framework, supplementary planning guidance, planning projects and implementation, trees and forestry policy and sustainable development strategies.

Ranking	Core City	£ Per Head	Potential New Fees and Charges
1	Newcastle	£0.41	None found
2	Sheffield	£0.25	<b>Areas with Lower Than Average Charges</b> None found
3	Manchester	£0.09	
4	Birmingham	£0.01	
=5	Bristol	-	
<b>=5</b>	<b>Leeds</b>	-	
=5	Liverpool	-	
=5	Nottingham	-	

## Other Planning and Development Services

Fees and charges related to environmental initiatives (including environmental education), economic development (including markets income), economic research, business support (including letting of subsidised units for businesses) and community development.

Ranking	Core City	£ Per Head	Potential New Fees and Charges
1	Liverpool	£9.86	None found
2	Nottingham	£6.02	
3	Newcastle	£4.67	
4	Manchester	£3.11	<b>Areas with Lower Than Average Charges</b>
5	Sheffield	£2.52	None found
6	Birmingham	£1.30	
7	Bristol	31.17	
<b>8</b>	<b>Leeds*</b>	<b>£0.14</b>	

\* Markets income (£3.858m or £5.06 per head of population) and economic development industrial units / corporate estates (£973k or £1.27 per head of population) are included under trading accounts; other core cities include them in this section. If these are taken into account here then the total £ per head would be £6.47 increasing Leeds ranking to 2<sup>nd</sup> place.

## Central Services

### Registration of Births, Deaths and Marriages

Fees and charges relating to the registration of births, deaths and marriages.

Ranking	Core City	£ Per Head	Potential New Fees and Charges
1	Manchester	£2.86	None found
2	Newcastle	£2.58	
3	Bristol	£2.06	
4	Nottingham	£1.98	
<b>5</b>	<b>Leeds</b>	<b>£1.83</b>	<b>Areas with Lower Than Average Charges</b> <ul style="list-style-type: none"> <li>• Private citizenship ceremony</li> <li>• Baby naming and renewal of vows ceremony</li> </ul>
6	Liverpool	£1.77	
7	Birmingham	£1.69	
8	Sheffield	-	

### Elections

Fees and charges related to the registration of electors and conducting elections.

Ranking	Core City	£ Per Head	Potential New Fees and Charges
1	Manchester	£0.12	None found
2	Bristol	£0.07	
3	Leeds	£0.05	
4	Nottingham	£0.02	<b>Areas with Lower Than Average Charges</b>
=5	Birmingham	£0.01	
=5	Liverpool	£0.01	
=5	Newcastle	£0.01	
6	Sheffield	-	

### Local Land Charges

Fees and charges related to maintenance of the register of local land charges, dealing with requests for certificates of searches and other enquires.

Ranking	Core City	£ Per Head	Potential New Fees and Charges
1	Bristol	£1.83	<ul style="list-style-type: none"> <li>• Refresher searches</li> <li>• Different range of charges for commercial searches</li> </ul>
2	Newcastle	£0.96	
3	Nottingham	£0.84	
<b>4</b>	<b>Leeds</b>	<b>£0.76</b>	<b>Areas with Lower Than Average Charges</b> <ul style="list-style-type: none"> <li>• Standard search (forms LLC1 &amp; CON29R)</li> </ul>
5	Birmingham	£0.66	
6	Manchester	£0.65	
7	Liverpool	-	
8	Sheffield	-	

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## **Introduction**

This policy has been produced following a corporate review of fees and charges across the Council. The policy is supported by the Best Practice Guidance and is referenced within Financial Procedure Rules. The policy and Best Practice Guidance set out the approach to be taken to fees and charges where the Council has discretion over the amounts charged for services provided and for trading activities.

## **Aim of the Policy**

The purpose of this policy is to provide a consistent approach in setting, monitoring and reviewing fees and charges across the authority. This will ensure that fees and charges support Council objectives and are set at a level that maximises income generation. The policy is incorporated within the following Charging Principles:

## **Charging Principles**

### **1. Council Priorities**

A Directory of Charges shall be maintained for all charges where the Council has discretion over the amounts charged for services provided and for trading activities. All decisions on charges for services and trading activities will be taken with reference to and in support of Council priorities and recorded as delegated decisions, as appropriate.

### **2. Charge Setting**

In setting charges, any relevant government guidance will be followed. Stakeholder engagement and comparative data will be used where appropriate to ensure that charges do not adversely affect the take up of services or restrict access to services. Full consideration will be given to the costs of administration and the opportunities for improving efficiency and reducing bureaucracy.

### **3. Subsidy**

In general, fees and charges will aim to recover the full cost of services except where this is prevented by legislation, market conditions or where alternative arrangements have been expressly approved by the relevant Director or Chief Officer in consultation with the Director of Resources. A business case should be created for all services that require a subsidy from the Council. Approval for the level of subsidy should be

obtained from the relevant Director or Chief Officer, in consultation with the Director of Resources.

#### **4. Charging Levels**

A number of factors should be considered when determining the charge and these are documented in the accompanying Best Practice Guidance.

#### **5. Charging Exemptions**

All trading activities and services provided by the Council will be charged for unless prevented by statute, detailed as exempt in the Best Practice Guidance or under exceptional circumstances agreed exempt by the relevant Director or Chief Officer, in consultation with the Director of Resources.

#### **6. Concessions**

Concessions to priority and target groups will be considered where this is appropriate, in accordance with any relevant government guidance and will take account of the user's ability to pay. All concessions should be fully justified in terms of achieving the Council's priorities. Wherever possible we will aim to provide concessions consistently across the Authority, in line with the Best Practice Guidance.

#### **7. Review of Charges**

All charges and the scope for charging will be reviewed at least annually within the service area. The review will include those services which could be charged for but which are currently provided free of charge. The annual review will be undertaken in accordance with the Best Practice Guidance.

#### **8. Waivers**

Waivers of individual charges shall only be given in exceptional circumstances and in accordance with the Best Practice Guidance.



This Best Practice Guidance applies to fees and charges where the Council has discretion over charges for services provided and trading activities. The Guidance is in line with the latest advice received from the Audit Commission. The Audit Commission published the national report 'Positively charged: Maximising the benefits of local public service charges' in January 2008 and has provided tools and other resources to assist and support Councils with fees and charges.

The Best Practice Guidance is supported by the Fees and Charges Flowchart attached at Appendix 1, the Report to Waive Fees attached at Appendix 2 and the Supplementary Guidance on Concessions and Flowchart attached at Appendix 3.

## **1. PURPOSE OF THE GUIDANCE**

1.1 The purpose of the Best Practice Guidance is to specify the processes and frequencies for reviewing existing charging levels and to provide guidance on the factors that need to be taken into consideration when charges are reviewed on an annual basis.

1.2 The Best Practice Guidance and Council Fees and Charges Policy provide a consistent approach in setting, monitoring and reviewing fees and charges across the authority. This will ensure that fees and charges support corporate objectives and improve the efficiency of the process across the authority.

1.3 Individual service areas should develop localised arrangements and a service specific policy which are consistent with the Council Fees and Charges Policy and Best Practice Guidance.

1.4 Putting customers first is at the heart of our values. The Best Practice Guidance has been devised to ensure that our services meet the needs of our customers and communities at an acceptable cost to local people.

## **2. BACKGROUND INFORMATION**

2.1 The Local Government Act 2003 (LGA 2003) includes a general power for local authorities in England and Wales to charge for discretionary services. Charges made under this power are limited to cost recovery. The general power to charge for discretionary services has the following key features:

- Authorities are under a duty to ensure that, year on year, the income from charges cannot exceed the costs of provision;
- Authorities must already have the power to provide the service;
- The recipient of the service must have agreed to its provision and to pay for it;
- It does not apply to services which an authority is mandated, or has a duty, to provide.

2.2 The Local Authorities (Goods and Services) Act 1970 governs the way in which local authorities are allowed to 'trade' with other public bodies. It authorises local authorities to enter into agreements with public bodies for the provision of goods, materials and administrative, professional and technical services, for the use of vehicles, plant and apparatus, and for the carrying out of maintenance.

2.3 LGA 2003 authorises councils to trade commercially through a company and to enter into commercial contracts. Using this provision, local authorities can trade with any person, including non-local authorities and non-public bodies for profit. Councils assessed as '1 star', '2 stars', '3 stars', '4 stars', 'fair', 'good' and 'excellent' in the CPA are empowered to do for a commercial purpose anything that they are authorised to do to carry out their ordinary functions, provided they prepare a business case which includes a risk analysis exercise. The primary purpose of any company (or participation in any company) is to promote or improve well-being.

2.4 Councils have powers to charge for a wide range of services. Many of these powers derive from legislation that applies to specific service areas, for example:

- Sections 1 and 3 of the Civic Restaurant Act 1947 provide the power to establish and run restaurants and supply meals and refreshments to the public and to charge for these to recover costs;
- Section 145 of the Local Government Act 1972 enables authorities to provide and charge for a range of arts and entertainment activities;
- Section 19 of the Local Government (Miscellaneous Provisions) Act 1976 gives the power to provide a range of sport and recreational facilities and to charge or not to charge as they think fit; and

- Sections 6 of the Prevention of Damage by Pests Act 1949 allows authorities to take action as necessary to remove rats and mice from their area – in fulfilment of their duty under section 2 of the Act – and to recover their reasonable expenses in doing so.

### **3. LEVEL OF SUBSIDY**

3.1 Where charges are made for services, users pay directly for some or all of the services they use. Where no charges are made or where charges do not recover the full cost of providing a service, council tax payers subsidise users.

3.2 Fees and charges will be set at a level that maximises income generation and recovers costs, whilst encouraging potential users to take up the service offered and ensuring value for money is secured on behalf of the taxpayer.

3.3A Business Case should be created for all services that require a subsidy from the Council when charges are reviewed. The Business Case should outline how the subsidy will be applied to the service area and incorporate the following:

- Demonstrate that the subsidy is being targeted at top priorities;
- Provide justification for which users should benefit from the subsidy;
  - all users - through the Standard Charge being set at a level lower than cost recovery;
  - target groups – through the application of the Concessions Guidance (Appendix 3).

3.4 Approval for the subsidy should be obtained from the relevant Director or Chief Officer, in consultation with the Director of Resources.

### **4. ASSESSMENT OF CHARGING LEVELS – THE STANDARD CHARGE**

4.1 The cost of providing the service should be calculated. When estimating the net cost of providing a service, the previous years actual results (in terms of income, activity levels and expenditure) must be taken into account. Where assumptions are made based on variables such as increased usage, this should be evidenced by an action plan detailing how this will be achieved. In addition, this should be supported by a Performance Management Framework to ensure that early indications of non-achievement against targets are identified to enable corrective action to be taken.

4.2 Charges should be set so that in total they cover the actual cost of providing the service including support service charges. Any subsidy arising from standard charges being set at a level below full cost should be fully justified in terms of

achieving the Council's priorities in the Business Case detailed in Section 3 of this Guidance. Where it is not appropriate or cost effective to calculate the cost of service provision at an individual level, charges may be set so that overall costs are recovered for the range of services which are delivered within a service area.

4.3 In order to ensure cost effectiveness and efficiency when setting and amending charging levels, the following are to be considered:

- Justification in the setting of charges to withstand any criticisms and legal challenges;
- Obstacles to maximising full cost recovery when providing the service;
- Access to and impact on users;
- Future investment required to improve or maintain the service;
- Relevant government guidance;
- Corporate objectives, values, priorities and strategies.

4.4 The following should be considered during the process, which may result in charges being set at a lower level than cost recovery:

- Any relevant Council strategies or policies;
- The need for all charges to be reasonable;
- The level of choice open to customers as to whether they use the Council's services;
- The desirability of increasing usage or rationing of a given service (i.e. reducing charges during off-peak times).

4.5 The tools and other resources published on the Audit Commission's website may assist during the assessment of charging levels.

## **5. CONCESSIONS**

5.1 Concessions may be used to provide a discount from the Standard Charge for specific groups for certain services. The Subsidy detailed in Section 3 of this Guidance may be used to provide the concessions where this has been explicitly approved.

5.2 Guidance on the application of concessions is attached at Appendix 3. The Concessions Guidance has been developed to ensure that the fees and charges levied for discretionary services are fair and equitable and support social inclusion priorities. Concessions should be set in accordance with the principles detailed in the Supplementary Guidance on Concessions which seeks greater consistency towards

concessions granted to disadvantaged target groups for individual services. The Concessions Guidance supports the use of standard criteria for assessing the entitlement for concessions.

5.3 Concessionary Charges may also be made available to organisations whose purpose is to assist the Council in meeting specific objectives, or which contribute to the aims of key local partnerships in which the council has a leading role.

5.4 The Local Government Act 2003 and its accompanying guidance states that charges may be set differentially, so that different people are charged different amounts. However, it is not intended that this leads to some users cross-subsidising others. The costs of offering a service at a reduced charge should be borne by the authority rather than other recipients of the service. This should be borne in mind when setting concessions or promoting use of a service by specific target groups.

## **6. CHARGING EXEMPTIONS**

6.1 Exemptions relate to service areas where no charges are levied to any of the service users. There will be a number of important circumstances where charges should not be made. The following are Charging Exemptions:

- Where the administrative costs associated with making a charge would outweigh potential income.
- Where charging would be counter productive (i.e result in reduced usage of the service).
- Where services directly benefit all residents of Leeds and no individual clients or customers can be separately identified.

6.2 Section 3 of this Guidance in relation to Subsidy applies to all services that are exempt from charging.

## **7. PROCESSES AND FREQUENCIES**

7.1 Reviews will be carried out at least annually for all services in time to inform the budget setting process, will take account of inflationary pressures and will be undertaken in line with budget advice provided by Corporate Finance. The reviews will be undertaken by all Service Areas that provide services where charges could be applied. The annual review of charges will consider the following factors:

- Inflationary pressures;
- Council-wide and service budget targets;
- Costs of administration;

- Scope for new charging areas.

7.2 In addition to the annual review detailed at 7.1, a formal review will be undertaken annually for all trading and material income areas and on a 3 yearly basis for all other service areas. These formal reviews of charges will consider the following factors, where appropriate:

- The actual or potential impact of any competition in terms of price or quality;
- Trends in user demand and the forecast effect of price changes;
- Customer survey results and user consultation;
- Alternative charging structures that could be more effective;
- Costs of service provision.

7.3 In the event that the formal review recommends a price increase in excess of inflation, consideration should be given to implementing a staged increase to the new charge.

7.4 The formal reviews will be approved by the relevant Director or Chief Officer after appropriate stakeholder input. The level of subsidy and the justification for setting the charge below the cost of service provision, where appropriate, should be made explicit during the approval process.

7.5 Customers should be given a reasonable period of notice before the introduction of new or increased charges. Where possible, the objectives of charging should be communicated to the public and users and taxpayers should be informed of how the charge levied relates to the cost of the service.

## **8. COLLECTION OF CHARGES AND OUTSTANDING DEBTS**

8.1 The most economic, efficient and effective method of income and debt collection should be used and should comply with the requirements of Financial Procedure Rules.

8.2 All applicable income should be correctly coded to the fees and charges income vote code.

8.3 Wherever it is reasonable to do so, charges will be collected either in advance or at the point of service delivery.

8.4 Where charges are to be collected after service delivery has commenced, invoices will be issued promptly on the corporate system.

8.5 Where a debtor fails to pay for goods or services the relevant Director or Chief Officer should consider withholding the provision of further goods or services until the original debt is settled in full, where legislation permits.

8.6 Charges and concessions will be clearly identified and publicised so that users are aware of the cost of a service in advance of using it.

## **9. APPROVALS**

9.1 All decisions on charges for services and trading activities will be approved by the relevant Director or Chief Officer, in consultation with the Director of Resources and recorded as delegated decisions, as appropriate.

## **10. MONITORING AND IMPROVEMENT**

10.1 Monitoring will be used to understand how charges affect the behaviour of users (especially target groups) and drive improvement. Price sensitivities of individuals and groups should be understood so that charges can be set appropriately to deliver the levels or changes in service use necessary to achieve objectives.

10.2 As part of the monitoring and improvement process, a Directory of Charges shall be maintained and challenging targets for charging and service use shall be established.

10.3 A Directory of Charges shall be maintained by the Director of Resources for all charges where the Council has discretion over the amounts charged for services provided and for trading activities.

10.4 Specific financial, service quality and other performance targets should be set, monitored and reported to the appropriate level to ensure that high levels of efficiency and service quality are achieved. Examples include:

- Cost of service provision against targets and benchmarking authorities;
- Usage by target groups i.e number of visits / requests;
- Usage during peak time / off –peak time;
- Income targets;
- Percentage of costs recovered;
- Costs of methods of billing and payment;
- Excess capacity.

10.5 Service managers should, wherever possible, benchmark with the public, private and voluntary sectors not only on the level of charges made for services but the costs of

service delivery, levels of cost recovery, priorities, impact achieved and local market variations.

10.6 The impact of the charges should be monitored and fed into the annual review process.

## **11. FINANCIAL PROCEDURES**

11.1 The Fees and Charges Best Practice Guidance should be read in conjunction with Financial Procedure Rules.

## **12. REVIEW AND AMENDMENT OF FEES AND CHARGES BEST PRACTICE GUIDANCE**

12.1 This Best Practice Guidance shall be reviewed and updated on an annual basis by the Director of Resources. The levels and processes detailed for Waivers in Section 13 of this Guidance must be updated in conjunction with Financial Procedure Rules.

## **13. WAIVERS**

13.1 Waivers of individual charges shall only be given in exceptional circumstances and shall be appropriately documented and justified, taking into account the administrative burden involved relative to the value of the waiver.

13.2 Where the waiver of charges adversely impacts on the budget position of an Area Committee Function the appropriate Area Committee shall be consulted prior to the charge being waived.

13.3 Service Managers will authorise de minimus write-offs of less than £5.00.

13.4 Any individual or cumulative waiver up to the value of £5k for a single service user shall be authorised by the relevant Director, who shall maintain a record of all waivers and the justification for approving the waiver.

13.5 Any individual or cumulative waiver over the value of £5k for a single service user must be approved in advance by the relevant Director or Chief Officer, in consultation with the Director of Resources. A report will be prepared which sets out the reasons why individual or cumulative charges will be waived. The Director or Chief Officer must be able to justify the waiver by documenting how the decision to waive charges supports corporate objectives, values, priorities and strategies. A pro-forma for this report is attached at Appendix 2.



13.6 All waivers shall be reported to the Director of Resources on an annual basis. The report will be in summary format of number of waivers and value in type and value bands in a manner determined by the Director of Resources.



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## Report of Head of Scrutiny and Member Development

### Report to Scrutiny Board (Strategy and Resources)

**Date: 28<sup>th</sup> September 2015**

**Subject: Work Schedule**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

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### Summary of main issues

1. The Board's draft work schedule is attached as appendix 1. The work schedule reflects discussions at the Board's meeting in July. It will be subject to change throughout the municipal year.

### Recommendations

3. Members are asked to note the work schedule and make amendments as appropriate

### Background documents<sup>1</sup>

None used

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

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## Scrutiny Board (Strategy and Resources) Work Schedule for 2015/2016 Municipal Year

Area of review	Schedule of meetings/visits during 2015/16		
	June	July	August
Non contract spend		Initial evidence gathering	
Budget/Service Categorisation and income generation		Agree terms of reference	
Commissioning			
ICT			
Devolution			
<b>Briefings</b>	Terms of Reference/work programming discussion		
<b>Recommendation Tracking</b>			
<b>Performance Monitoring</b>			

## Scrutiny Board (Strategy and Resources) Work Schedule for 2015/2016 Municipal Year

Area of review	Schedule of meetings/visits during 2015/16		
	September	October	November
Non contract spend			
Budget/Service Categorisation and income generation	Session 1 – evidence gathering	Session 2 –evidence gathering	Session 3 –evidence gathering
Commissioning			
ICT		To agree terms of reference	
Devolution			
<b>Briefings</b>			
<b>Recommendation Tracking</b>			
<b>Performance Monitoring</b>			

## Scrutiny Board (Strategy and Resources) Work Schedule for 2015/2016 Municipal Year

Area of review	Schedule of meetings/visits during 2015/16		
	December	January	February
Non contract spend			
Budget/Service Categorisation and income generation	Session 4 – drafting recommendations	Agree final report and link with comments on Executive Budget proposals	
Commissioning	Initial discussion with Director of Adult Social Care		Commissioning
ICT			
Devolution			
Briefings			Devolution
Budget	To receive Executive Board's initial budget proposals	Formal response to Executive Budget proposals link with recommendations arising from work on Budget/Service Categorisation and income generation	
Recommendation Tracking			
Performance Monitoring			
Performance Monitoring			

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Area of review	Schedule of meetings/visits during 2015/16		
	March	April	May
Non contract spend			

**Scrutiny Board (Strategy and Resources) Work Schedule for 2015/2016 Municipal Year**

<b>Budget/Service Categorisation and income generation</b>			
<b>Commissioning</b>			
<b>ICT</b>			
<b>Devolution</b>			
<b>Briefings</b>			
<b>Recommendation Tracking</b>			
<b>Performance Monitoring</b>			
<b>Performance Monitoring</b>			