



SCRUTINY BOARD (STRATEGY AND RESOURCES)

Meeting to be held in Civic Hall, Leeds, LS1 1UR on
Monday, 23rd November, 2015 at 10.00 am

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

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;

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

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A G E N D A

Item No	Ward/Equal Opportunities	Item Not Open		Page No
1			<p>APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</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>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</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>RESOLVED – 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>No exempt items have been identified.</p>	

Item No	Ward/Equal Opportunities	Item Not Open		Page No
3			<p>LATE ITEMS</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>DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS</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>APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES</p> <p>To receive any apologies for absence and notification of substitutes.</p>	
6			<p>MINUTES - 26 OCTOBER 2015</p> <p>To confirm as a correct record, the minutes of the meeting held on 26 October 2015.</p>	1 - 4
7			<p>FEES AND CHARGES</p> <p>To undertake the third Inquiry session into fees and charges.</p>	5 - 42
8			<p>WORK SCHEDULE</p> <p>To consider the Scrutiny Board's work schedule for 2015/16 municipal year.</p>	43 - 48
9			<p>DATE AND TIME OF NEXT MEETING</p> <p>Monday, 21 December 2015 at 10.00a.m. (pre- meeting for all Board Members at 9.30 a.m.)</p>	

Item No	Ward/Equal Opportunities	Item Not Open		Page No
			<p>THIRD PARTY RECORDING</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"> 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. 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. 	

SCRUTINY BOARD (STRATEGY AND RESOURCES)

MONDAY, 26TH OCTOBER, 2015

PRESENT: Councillor K Groves in the Chair

Councillors S Bentley, D Cohen, C Dobson,
H Hayden, J Jarosz, J McKenna, D Nagle
and B Urry

25 Late Items

There were no late items.

26 Declaration of Disclosable Pecuniary Interests

There were no disclosable pecuniary interests.

27 Apologies for Absence and Notification of Substitutes

Apologies for absence were received from Councillor A Sobel, Councillor T Wilford and Councillor R Wood. Councillor B Urry substituted for Councillor A Sobel.

28 Minutes - 28 September 2015

RESOLVED – That the minutes of the meeting held on 28 September 2015 be confirmed as a correct record.

29 Fees and Charges

At the Board's September meeting Members held the first session of their Inquiry looking at fees and charges. The agreed terms of reference provided the rationale behind the Inquiry. These focused on the belief that a critical examination of fees and charges was 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.

The October Executive Board report in relation to the Medium Term Financial Strategy 2016/17 – 2019/20 stated that addressing an estimated budget gap of £146m by March 2020 would require the Council to take difficult decisions in order to reduce the Council's net spend. These decisions would very likely to include generating additional income through increasing fees and charges for services, potentially based on the ability to pay.

Members of the Scrutiny Board recognised this and asked for greater detail of current charges made by Directorates. The Board agreed to invite Directorate representatives to discuss with members areas where further analysis and consideration into possible new areas for income generation could be

Draft minutes to be approved at the meeting
to be held on Monday, 23rd November, 2015

undertaken. The Board also agreed to explore with Directorates the principles around charging including; policies for non-Leeds residents, the use of subsidy and differential charges

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

- Martin Farrington – Director of City Development
- Richard Ellis – Head of Finance, Environment and Housing
- Simon Criddle – Head of Finance City Development
- John Mulcahy – Citizens and Community.

In summary the main areas of discussion were:

- The Directorates responses to the questionnaire previously sent out to all Directorates.
- That every 1% increase in fees and charges equates to £1m additional income.
- The notion that two issues required debate; how much existing fees are raised and what new ones should be introduced.
- Key principles for inclusion in a revised fees and charges policy.
- The ease in which fees and charges can be paid, particularly for community lets.
- The need to work towards the complete recovery of cost and reducing subsidies where appropriate.
- The concept of introducing increased charges in January (rather than April) where possible.
- The analysis of, and the understanding of the unintended consequences of introducing some charges.
- The concept of geographical flexibility in the level of fees and charges and the criteria used to set those differential, for example deprivation or quality of provision.
- A range of new income streams taken up by other authorities but not currently by Leeds City Council.
- The aims and objectives of the Leeds card and its current discount structure.
- The role of Community Committees in setting community centre charges.
- Assurances that where fees can only recover costs, all possible overheads are included.
- The need for an IT Culture Platform that showcases the very best of Leeds, addresses concerns about the efficiency of numerous box offices but also offers the opportunity for advertising and marketing for the Public and Private Sector (which in turn supports the Culture Capital bid).

In terms of next steps the Board agreed that they should receive information on the following:

- Running costs of Community Centres and the actual income generated through fees and charges.
- Estimates of the potential income generated from those areas identified by the Directorate as potential new fee areas. These included;
 - Charging entry for Museum sites including City Museum
 - Charging entry to Leeds Art Gallery
 - Residents and visitor parking permits
 - Workplace parking levy
 - Charge for pre planning advice
 - Car parking charges at visitor attractions
 - Full sponsorship of bonfires and firework displays
 - Charging for replacement wheeled bins
 - Charge for kerbside garden waste collection
 - Charges for depositing inert waste at Household Waste Sites
 - Fees for parking at District shopping centres
 - Charging for bulky waste
 - Charges for pest control, e.g rats in homes
 - Where enforcement action is being undertaken against private landlords then relevant costs charged to the persons to whom action is being taken
 - Charging landlords for referring tenants onto them
 - Introducing private landlord registration scheme (Beyond HMOs)
 - Credit card administration fee.
- The total amount collected in voluntary contribution boxes in venues where charges are not levied.

It was also agreed that the Directors of Children's and Adult Social Care be invited to the Board's November meeting.

RESOLVED –

- (i) That the Board receive the requested information
- (ii) That the Head of Scrutiny and Member Development draft a more detailed note on the Board's current observations and recommendations
- (iii) That the Directors of Children's Services and Adult Social Care be invited to the November Board meeting
- (iv) That the Board receive a draft revised fees and charges policy for its consideration.

(Councillor Nagle left the meeting during the discussion on this item at 11.30am.)

(Councillor J McKenna left the meeting during the discussion on this item at 11.40am.)

Draft minutes to be approved at the meeting
to be held on Monday, 23rd November, 2015

30 Career Families

This item was deferred.

31 Work Schedule and Draft Terms of Reference

The Head of Scrutiny and Member Development submitted a report which provided information regarding the Board's work Schedule. It was noted that the scheduled item on non-contract spend update would now be received in December rather than November.

Draft terms of reference were also submitted into an Inquiry into ICT resources.

RESOLVED –

- (i) That the Board's work schedule be amended as discussed
- (ii) That the draft terms of reference be agreed.

32 Date and Time of Next Meeting

Monday 23 November 2015 at 10.00am. (Pre-meeting for all Board Members at 9.30 a.m.)

(The meeting concluded at 12.10 pm)

Report of Head of Scrutiny and Member Development

Report to Scrutiny Board (Strategy and Resources)

Date: 23rd November 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. This is the Boards third session of its Inquiry looking at fees and charges. The agreed terms of reference provided the rationale behind the Inquiry. These focused on the belief that a critical examination of fees and charges was 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.

Main Issues

2. In October Members held discussions with representatives from Citizens and Communities, Environment and Housing and City Development. It was agreed that at today's meeting representatives from Adult Social Care and Children's Services would be invited to discuss areas where further analysis and consideration into possible new areas for income generation could be undertaken. A summary of their current respective fees and charges are attached as appendix 1. (A larger version has been included in Member's agenda pack for ease of reading). Also attached to the Adult Social Care summary is a report from the Director of Adult Social Services in relation to charging for Non-Residential Adult Social Care Services. Members are asked to provide comment as part of the current consultation process.
3. Scrutiny Board also discussed the Fees and Charges Policy and Best Practice Guidance. Members concluded that the Fees and Charges Policy and Best Practice Guidance was no longer fit for purpose and also noted that the policy had not been reviewed for at least four years. Therefore at its October meeting the Board

requested that a revised version be presented to today's meeting. This is shown as appendix 2.

Recommendations

4. Members are asked to consider the information provided taking particular note of;
 - (i) Current fees and charges
 - (ii) Where further consideration should be given for the introduction of new fee areas
 - (iii) Consider the main aspects of the Adult Social Care charging consultation currently underway and to provide comments as part of the consultation process
 - (iv) to consider the revised Fees and Charges Policy and Best Practice Guidance and provide feedback and suggest improvements.

Background documents¹

None used

¹ 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.

Fees and Charges Summary of Current Charges - Adult Social Care

			Budgeted Charge Price 2015/16								
Division	Service	Charge	Charge Element	Total budgeted income	Price charged	Unit	Date new charge effective	Detail on what price change is eg % increase or new calculation			
Adult Social Care											
Access and Care	Community support	Home care	Home care	5,324,380	13.80	Hour	01/04/2015	3% increase			
		Charge to Primary Care Trust	Charge to Primary Care Trust	-	0		n/a	n/a			
		Respite care	People under 25		33.00	Week	06/04/2015	DWP Rate			
			People under 25 with a disability premium		65.25	Week	06/04/2015	DWP Rate			
			People aged 25 to 60		48.20	Week	06/04/2015	DWP Rate			
			People aged 25 to 60 with a disability premium		80.45	Week	06/04/2015	DWP Rate			
	Telecare	Telecare Service	People over 60		126.30	Week	06/04/2015	DWP Rate			
			Pendant Alarm		2.60	Week	01/04/2015	3% increase			
			Mobile Response for Pendant Alarm		0.50	Week	01/04/2015	No increase			
			Telephone monitoring of peripheral monitors		3.10	Week	01/04/2015	3% increase			
			Telephone monitoring of GPS systems		9.30	Week	01/04/2015	3% increase			
			Mobile Response for Telecare		3.10	Week	01/04/2015	3% increase			
			Operational Services	Community support services	Hostel accommodation	Full board		1,168.30	Week	01/04/2015	3% increase
						Self catering		1,124.20	Week	01/04/2015	3% increase
Independent living schemes	default				1,262,680		n/a	n/a			
	Food						n/a	n/a			
	Rent			157.50	Week	01/04/2015	3% increase				
Home support services - mental health	Independent living schemes	Service charge			21.00	Week	01/04/2015	3% increase			
		default			54,130		n/a	n/a			
		Food					n/a	n/a			
		Rent			178.50	Week	01/04/2015	3% increase			
Nursing placements - older people	Intermediate care beds	Service charge			21.00	Week	01/04/2015	3% increase			
		Charge to Primary Care Trust		1,574,180	339.00 or 365.00	Week	n/a	No increase			
Residential placements - mental health	Hostel accommodation	Full board		869.40	Week	01/04/2015	3% increase				
		Self catering		840.70	Week	01/04/2015	3% increase				
Day services - older people	Older day centres	Attendance		218,200	25.47	Day	01/04/2015	3% increase			
		Transport			5.40	Day	01/04/2015	3% increase			
Day services - Learning disabilities	Learning Disabilities day centres	Attendance			44.50	Day	01/04/2015	3% increase			
		Transport			5.40	Day	01/04/2015	3% increase			
Day services - Mental Health	Mental Health day centres	Group Sessions			9.30	Session	01/04/2015	3% increase			
		One-to-One Support			18.50	Hour	01/04/2015	3% increase			
Day services - physical impairment	Physical Impairment day centres	Transport			5.00	Day	01/04/2015	3% increase			
		Attendance		10,220	44.50	Day	01/04/2015	3% increase			
Day services - physical impairment	Training centres	default					n/a	n/a			
		With transport			386.40	5-day week	01/04/2015	3% increase			
Other services - older people	Brook House	Without transport			266.00	5-day week	01/04/2015	3% increase			
		Use of holiday bungalow		-			n/a	n/a			
Residential homes - older people	Residential places	Residential places		2,489,540	568.40	Week	01/05/2015	3% increase			
		Supported and other accommodation	Home based sitting service	default				n/a	n/a		
				Day / early evening			6.64	Hour	01/04/2015	1.2% increase	
				Night awake service			7.43	Hour	01/04/2015	1.2% increase	
		Short breaks sitting service	Stroke scheme	People under 25		80,000	65.25	Week	06/04/2015	DWP Rate	
				People aged 25 to 60			80.45	Week	06/04/2015	DWP Rate	
				People over 60			126.30	Week	06/04/2015	DWP Rate	
		Outreach and Day Support Service	Outreach and Day Support Service	Outreach - Daytime Support		24,000	8.00	Hour	01/04/2015	3% increase	
				Outreach - Waking Night Time Support			9.60	Hour	01/04/2015	3% increase	
				Day Support			8.00	Hour	06/04/2015	3% increase	
Cross-divisional	Cross-service	Adult day centres	Adult day centres		315.00	5-day week	01/04/2015	3% increase			
		Meals	Main Meal		927,510	4.75	Meal	01/04/2015	3% increase		
			2nd meal (Snack)			2.70	Meal	01/04/2015	3% increase		
		Supported Housing and Lodgings	Supported housing and lodgings			84.00	Week	01/04/2015	3% increase		

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Report of the Director of Adult Social Services

Report to Scrutiny Board (Strategy and Resources)

Date: 23rd November 2015

Subject: Charging for Non-Residential Adult Social Care Services

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 checked="" type="checkbox"/> Yes	<input 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

Summary of main issues

1. This review of the charging arrangements for non-residential services is taking place in the context of the financial challenges facing the Council, the growing demand for Adult Social Care services and the lower income from Adult Social Care charges in Leeds compared with other authorities.
2. The proposals currently being consulted on are:
 - Changing the way that we work out how much people are asked to pay towards the services they receive
 - Removing the maximum weekly contribution which currently caps the amount anyone pays for their services at £215 per week
 - Phasing-in the increases for those people who would face the largest increases in their charge
3. The likely impact of the proposals on customers is as follows:
 - 5,200 people (66%) would see no change in their payments
 - 600 people (8%) would pay up to £5 per week extra for their services
 - 400 people (5%) would pay between £5 and £10 per week extra
 - 1200 people (16%) would pay between £10 and £50 per week extra
 - 400 (5%) will pay an extra £50 or more per week for their services.

Recommendations

4. Members are asked to consider the main aspects of the Adult Social Care charging consultation currently underway and to provide their comments as part of the consultation process.

1 Purpose of this report

- 1.1 This report outlines the main aspects of the consultation currently underway on charging for non-residential Adult Social Care services and invites members to provide their comments as part of the consultation process.

2 Background information

- 2.1 Reviewing customer fees and charges is an important aspect of the Council's medium term financial planning to help to address the continued reductions in government funding. Although several changes have been made to the Adult Social Care charging policy, the most recent taking effect in January 2014, customers in Leeds continue to pay less than in many authorities.
- 2.2 The demands on social care services continue to increase. This reflects an ageing population with more complex needs, particularly for people with learning disabilities, together with the impact of inflation and the National Living Wage. Within this challenging financial context the Council needs to consider changes to charging to help fund the adult social care services that some of the most vulnerable people in the city rely on.
- 2.3 The Care Act which took effect in April 2015 brought charging for residential and non-residential adult social care services together into one set of charging regulations and guidance. Previously they operated under separate and different government guidance. The Care Act guidance outlines areas of discretion that councils may consider and these are included within this charging review.
- 2.4 The main non-residential adult social care services are home care and supported living, day care and associated transport, telecare services and direct payments. The current charges for services are shown at Appendix 1. There are no plans to increase these charges as part of this charging review. All customers have a financial assessment and the Government's charging regulations ensure that their charges are affordable. People pay whichever is the lower of the charge for their services and the amount the financial assessment shows they can afford. Appendix 2 outlines the financial assessment methodology.

3 Main issues

- 3.1 The proposals for consultation are:
- Changing the way that we work out how much people are asked to pay towards the services they receive
 - Removing the maximum weekly contribution which currently caps the amount anyone pays for their services at £215 per week
 - Phasing-in the increases for those people who would face the largest increases in their charge
- 3.2 The Care Act charging regulations prescribe the treatment of income and allowances within the financial assessment, but give councils discretion to be more generous if they wish. Some of the figures currently used in the financial assessment in Leeds are more generous than those set out in the Care Act regulations so some people are paying less for their services than they could. We

are consulting on adopting the figures set out in the Care Act Regulations. The table in Appendix 3 sets out the five aspects of these proposals.

- 3.3 The current £215 maximum weekly contribution applies to all customers, however high their level of service, income or savings. It is based on 50% of the cost of a typical residential care package for older people. Councils can choose to set a maximum if they wish, but many do not. In recent years the trend has been for councils to raise or remove their maximum weekly charge.
- 3.4 The phasing-in proposals are for a cap of £35 per week on any increase in a person's charge for the first six months, with a further £35 on top of this for a further six months. The full charge would therefore apply a year after implementation for those people whose payment increased by more than £70 per week. This approach is consistent with previous charging reviews.
- 3.5 The likely impact on customers of the proposals being consulted on is as follows:
- 5,200 people (66%) would see no change in their payments
 - 600 people (8%) would pay up to £5 per week extra for their services
 - 400 people (5%) would pay between £5 and £10 per week extra
 - 1200 people (16%) would pay between £10 and £50 per week extra
 - 400 (5%) will pay an extra £50 or more per week for their services.
- 3.6 Following the consultation a report with final recommendations will be submitted to Executive Board. This report is scheduled for early 2016 and any changes will not take effect until April 2016 at the earliest.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 A comprehensive consultation process is taking place from 21st September to 11th December 2015. All customers in receipt of Adult Social Care services have been sent copies of the consultation documents and contact details for any assistance they require. The consultation documents have also been sent to voluntary organisations, health partners, staff and members and consultation events are being held covering these groups. The consultation is available on the Council's Talking Point consultation portal. A service user focus group is engaged in the consultation process, including reviewing the consultation feedback.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An equality, diversity, cohesion and integration impact assessment will be undertaken involving the service user focus group before Executive Board is asked to decide on any changes to charging.

4.3 Council policies and Best Council Plan

- 4.3.1 This charging review supports the Council values of spending money wisely. Through supporting the financial sustainability of Adult Social Care services it supports making Leeds the best place to grow old.

4.4 Resources and value for money

- 4.4.1 These proposals would generate estimated net additional income to the Council of £3.8m in a full year. As with previous charging reviews, the additional income arising from the proposals within this review will be reinvested to help protect adult social care services and mitigate future financial pressures within Adult Social Care services.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 None.

4.6 Risk Management

- 4.6.1 None

5 Conclusions

- 5.1 This review of the current charging arrangements is taking place in the context of the financial challenges facing the Council, the growing demand for Adult Social Care services and the lower income from Adult Social Care charges in Leeds compared with other authorities.

6 Recommendations

- 6.1 Members are asked to consider the main aspects of the Adult Social Care charging consultation currently underway and to provide their comments as part of the consultation process.

7 Background documents¹

- 7.1 None.

¹ 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.

Standard Rates for Adult Social Care Services

These are the amounts that people pay if their financial assessment calculates that they can pay for their service in full.

Type of Service	Charge
Home Care and Supported Living	£13.80 per hour
Housing Support Services	£18.50 per hour
Day Centres	
Older People	£25.40 per day
Physical Disabilities	£44.50 per day
Learning Disabilities	£44.50 per day
Transport	
Transport to services	£5.40 per day
Shared Lives Sitting Services	
Outreach - daytime support	£8.00 per hour
Outreach - waking night-time support	£9.60 per hour
Day Support Service	£8.00 per hour
Mental Health Services	
Day Services - group session	£9.30 a session
Day Services - one-to-one support	£18.50 per hour
Telecare Services	
Telephone monitoring of Telecare pendant alarm	£2.60 per week
Mobile response service for Telecare pendant alarm	£0.50 per week
Telephone monitoring of Telecare pendant alarm with additional Telecare sensors	£3.10 per week
Telephone monitoring of Telecare pendant alarm with additional Telecare sensors and 'GPS' systems	£9.30 per week
Mobile response service for Telecare	£3.10 per week

Financial Assessment Methodology

The financial assessment calculates how much someone can afford to pay towards their services. The way this is done is shown below:

Income:	Earnings ignored Mobility allowances ignored Benefits and pension income included Notional income based on capital included
Less:	Personal allowances (for daily living costs) Housing costs Disability related costs
Equals:	Assessed weekly contribution (the amount the financial assessment shows that they can afford)

If the financial assessment shows that a person can afford to make a contribution they will actually pay the lower of two amounts, either:

- The amount the financial assessment shows that they can afford, or;
- The charge for their services at the standard rates (for people receiving direct payments this would be the amount of the direct payment).

Consultation Proposals – Changes to the Financial Assessment Methodology

What do we do now?	What are we thinking of doing?
<p><u>Disability Benefits</u></p> <ul style="list-style-type: none"> For people who only have day time care needs who receive the high rate of Disability Living Allowance (care component), Attendance Allowance or Personal Independence Payment (daily living component) of £82.30 per week, only £55.10 of this income is included to work out what someone could afford to pay for their services. 	<p><u>Disability Benefits</u></p> <ul style="list-style-type: none"> For people who only have day time care needs the full amount of Disability Living Allowance, Attendance Allowance or Personal Independence Payment (£82.30 per week) that a customer receives would be included as income in the financial assessment. This means that the assessed weekly contribution would increase by £27.20.
<p><u>Living Costs</u></p> <ul style="list-style-type: none"> Allowances to cover daily living costs vary depending on the benefits a person gets. For working age customers the allowances in Leeds are higher than those in the Care Act regulations. For most people they are £24.62 higher. 	<p><u>Living Costs</u></p> <ul style="list-style-type: none"> All customers of working age will be given the same allowance for daily living costs using the figures in the Care Act regulations. This means that the assessed weekly contribution would increase by £24.62 for most people.
<p><u>Children</u></p> <ul style="list-style-type: none"> For those responsible for children no extra allowance for daily living costs is made in working out what someone could afford to pay for their services financial assessment for daily living costs. 	<p><u>Children</u></p> <ul style="list-style-type: none"> An extra allowance for daily living costs of £83.65 per child per week will be given to those responsible for children. This means that the assessed weekly contribution would reduce by £83.65 so most people would no longer have to pay for their services.
<p><u>Water Costs</u></p> <ul style="list-style-type: none"> An allowance is given for water charges to work out what someone could afford to pay for their services. 	<p><u>Water Costs</u></p> <ul style="list-style-type: none"> No allowance for water charges will be given unless they are especially high because of a person's disability. This means that the assessed weekly contribution would increase by the amount of the water charges.
<p><u>Housing Costs</u></p> <ul style="list-style-type: none"> An allowance is given for housing costs to work out what someone could afford to pay for their services. These costs are divided between the numbers of adults living in the property. 	<p><u>Housing Costs</u></p> <ul style="list-style-type: none"> An allowance for housing costs is only given for the person legally liable to pay the housing costs. This means for some people the assessed weekly contribution would not change, for some it would go up and for others it would go down.

Fees and Charges Summary of Current Charges - Children's Services

			Budgeted Charge Price 2015/16					
Division	Service	Charge	Charge Element	Total budgeted income	Price charged	Unit	Date new charge effective	Detail on what price change is eg % increase or new calculation

Children's Services								
Safeguarding, Targetted and Specialist formerly Children's Social Care and Social Inclusion Service	Children's Residential Homes	Charge to other authorities buying places	Charge to other authorities					
	Eastmoor Secure Children's Centre (50121) Now closed and replaced by Adel Beck (50126)	Charge to other authorities for remand placements as per YJB Contract	Charge to other authorities	£4,001	per bed per week	01/04/2015	Very recent decision to increase prices by inflation (2.7%) budget needs to be reviewed	
		Charge to other authorities for welfare placements	Charge to other authorities	£5,215	per bed per week	01/04/2015	Very recent decision to increase prices by inflation (2.7%) budget needs to be reviewed	
		Charge to Youth Justice Board under the contract	Charge to Youth Justice Board	£4,001	per bed per week	01/04/2015	Very recent decision to increase prices by inflation (2.7%) budget needs to be reviewed	
	Homes for Children with Learning Disabilities	Charge to other authorities buying places	Charge to other authorities	£1,930	per bed per week	01/04/2015	Income is not budgeted as the available provision is used to place in-house children - the charge is what would be charged if there was any available capacity to sell to another LA. This has not happened in at least the past 4 years.	
Attendance Strategy	Fines for Non Attendance at school	Fines for Non Attendance at school	£120 (£60 if paid in 28 days)	per child	01/04/2015	As per nursery fees, what is the 15-6 increase ?		
Learning Skills and Universal Services formerly Early Years, Integrated Youth Support Services and School Improvement Service	Children's Centres	Nursery fees	Nursery fees - family not receiving benefits	£41	Day	01/04/2015	£2 per day (5.13%) increase	
	Healthy Schools	Traded Income	Income from Academies				Service fully recover their costs	
	Free School Meal Eligibility	Traded Income	Income from Academies				Service fully recover their costs	
	School Improvement (59309+59314)	Traded Income	Income from Academies				Various, dependent on SLA purchased	
	Governors' Support Service	Traded Income	Income from Academies			01-Apr-15	Various, dependent on SLA purchased	
	Herd Farm	Charges for hire of residential educational centre						
			Unsubsidised Residential (outside Leeds boundary/adult groups)	£2,700	2 nights	01-Apr-15		
			Residential, Children's Groups or Charities within LCC boundary	£2,700	2 nights	01-Apr-15		
	Lineham Farm	Residential	Residential, Children's Groups or Charities within LCC boundary	£5,400	week	01-Sep-14	Price increased about 10%, further increase in Sept 15 planned	
	Lazer Centre	Hire of facilities	Various activities	Various		01-Apr-15	Income will mainly be rent from Pupil Tuition Team & North West AIP to start in Sept 15 - as such not relevant to this analysis	
	South Leeds Hub	Hire of rooms/facilities	Room/Suite hire	Various		01-Apr-15	Income will mainly be rent from Southway £86,200 + 45% of running cost (est £75,000) - as such not relevant to this analysis	
	Music Centres	Various	Various music classes	Various		01-Sep-15	Average 4% - not the 15-16 proposal	
	Music Support Services	Traded Income	Income from Academies	Various		01-Sep-14	No price increase for Sept 15	
Youth Orchestra	Membership fee	Membership of Orchestra	75 (30 first year)		Any increase from 01/09/13	No LCC impact		
Library Service	Traded Income	Income from Academies				None		
Artemis	Traded Income	Income from Academies	Various		Pending 2015/16	Limited income in 14/15, charges were ad hoc, developing new SLA.		
West Park	Hire of rooms/facilities	Room/Studio/Main Hall Hire				Building no longer in Children's Services		

Report of Head of Revenue Savings Programme

Report to Scrutiny Board (Strategy and Resources)

Date: 23 November 2015

Subject: Fees and Charges Policy and Best Practice Guidance

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

Summary of main issues

1. Scrutiny Board identified that the Fees and Charges Policy and Best Practice Guidance was no longer fit for purpose at its meeting in Oct. They noted the policy had not been reviewed for at least four years and they requested a revised version be presented to their November meeting.
2. As requested by Scrutiny the revised documents contain new draft guidance including that to do with: agreeing subsidy levels; calculating the full costs of providing services; avoiding subsidising of non-Leeds residents; publishing a list of all Leeds City Council fees and charges on our website; and agreeing concessions or differential charges.

Recommendations

3. Members are asked to consider the revised Fees and Charges Policy and Best Practice Guidance and provide feedback and suggest improvements.

1 Purpose of this report

- 1.1 The purpose of this report is to provide Scrutiny with a revised and updated Fees and Charges Policy and Best Practice Guidance with a view to recommending it to the Executive at the December Scrutiny meeting.

2 Background information

- 2.1 The Fees and Charges Policy and Best Practice Guidance were last updated over four years ago and are in need of revision. In addition the severe financial constraints being placed on the council mean that fees and charges are becoming an increasingly important source of income for the council. Charges also remain an important tool in helping to achieve council priorities through offering low cost or free services to priority groups or by using pricing to influence behaviour. It is important that our policy and guidance in this area reflects these changes and allows the council to gain maximum benefit from how it sets fees and charges.

3 Main issues

- 3.1 The attached documents have been revised in a number of important ways:

- **Removal of all outdated references** to CPA scores/Audit Commission and old legislation.
- The requirement to produce and **publish a directory of all fees and charges made by the Council has been strengthened**. The main reasons for this are in the interests of transparency and openness although there may also be small efficiency savings in terms of having to deal with reduced numbers phone calls enquiring about fees and charges. As it currently stands we do not publish all fees and charges and those that we do are published in a multitude of different places, making it very difficult for customers to find pricing information. It is proposed that a full list of fees and charges is published prominently on our website and that it is updated as and when prices change.
- Where no charges are made or **where charges do not recover full costs, the council tax payer/business rates payer subsidises users**. The guidance regarding subsidy has been strengthened to ensure that decisions about subsidy are made in a more transparent way with reference to all key facts. The new policy requires a **business case** to be approved for all services where there is a subsidy and additionally that all these **subsidised services are identified in the budget**. There is also a requirement to ensure, where possible that **non-Leeds residents do not receive subsidies**.
- The revised policy and guidance also now provides clear advice on how to calculate the true costs of providing services. Up to now various different ways of calculating full costs (particularly overheads costs) have been used. These revisions are aimed at getting **greater consistency and a more realistic assessment of the true costs of providing services**. The

guidance stipulates that **CIPFA's Service Reporting Code of Practice for Local Authorities (SeRCOP)** should be followed when calculating full costs and determining what level of overheads to apportion to charged for services. Overhead charges are a particularly difficult area and these new guidelines seek to simplify the situation by annually setting a fixed percentage to be applied to direct costs to cover overheads. This percentage will be calculated using SeRCOP guidance. Different fixed percentages might be applied to reflect differences in the way services are provided. These changes should ensure greater transparency over price setting and the level of subsidy for each service.

- **Concessions may be used to provide a discount from the standard charge for specific groups** for certain services. This is particularly useful when trying to achieve certain policy objectives. The guidance has been revised to **allow concessions to be provided to target groups or on a geographical basis** i.e. to allow differential charging across the city, where it would assist the council in achieving a specific policy outcome. Where possible **concessions should not be granted to non-Leeds residents**.
- The section on **waivers has been removed** because we have other policies in place that cover this eventuality (debt recovery policies).

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.2 None.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 The application of a good fees and charges policy can help disadvantaged groups access services that they might otherwise be unable to use. The revised policy encourages services to look at how any subsidy might be targeted at priority groups in order to help achieve specific council objectives.

4.3 Council policies and Best Council Plan

4.3.1 See comment above.

4.4 Resources and value for money

4.4.1 Fees and charges are an important source of income for the council. The revised policy and guidance provides a stronger framework within which the council can responsibly assess appropriate charges for council services. It sets a default position of full cost recovery for all charged for services but recognises the important role of both subsidy and concessions in helping achieve council priorities and promoting our compassionate city ambitions.

4.5 Legal Implications, Access to Information and Call In

4.5.1 None

4.6 Risk Management

4.6.1 None

5 Conclusions

5.1 Fees and charges budgeted income for 2015/16 is £80m which represents 6.5% of total General Fund income to the council. In addition to this substantial financial contribution, fees and charges are also used to help achieve policy objectives. Most commonly this is done by influencing behaviour through pricing policy or through encouraging specific groups to use certain services. The impact of fees and charges is therefore significant and our policy in this area can have important consequences for local people. This report offers the potential of strengthening our policy and practice in this area and in particular provides opportunity to improve our income generation activity whilst at the same time furthering our compassionate city ambitions.

6 Recommendations

6.1 Members are asked to consider the revised Fees and Charges Policy and Best Practice Guidance and provide feedback and suggest improvements.

7 Background documents¹

7.1 None.

¹ 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.

Introduction

This policy and supporting 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.

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. Charge Setting

In setting charges, any relevant government guidance must be followed. Thereafter any decision to vary or introduce charges should take into account the council's priorities and financial objectives. Factors that should be considered when setting charges include:

- Trends in user demand and the forecast effect of price changes;
- Impact of competition;
- Comparator/benchmarking data;
- Customer survey results;
- Wider policy objectives;
- Council wide budget targets;
- Investment needs of the service; and
- Costs of income collection.

In the interests of openness and accessibility a directory of all charges shall be maintained and published on the Leeds City Council website.

2. Subsidy

In general, fees and charges will aim to recover the full cost of services except where this is prevented by legislation, or where alternative arrangements have been expressly approved by the relevant director or chief officer in consultation with the deputy chief executive.

Full costs should include an appropriate level of overheads including for example: HR, finance, senior management and other support service charges. A business case should be created for all services that require a subsidy from the council. Normally only services that are contributing to the achievement of a key council priority would be considered for a subsidy. Approval for the level of subsidy should be obtained from the relevant director or chief officer, in consultation with the deputy chief executive and relevant executive member. During annual budget setting all subsidies should be identified.

Where possible, non-Leeds residents should not be subsidised. This should only be done where: it is lawful; the cost of administering a second tier of charges would not outweigh the benefits; and this course of action would not be counter-productive i.e. reduce overall income.

All trading activities and services provided by the council will be charged for unless prevented by statute or under exceptional circumstances agreed exempt by the relevant director or chief officer, in consultation with the deputy chief executive and relevant executive member.

3. 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. Wherever possible we will aim to provide concessions consistently across the authority. All concessions should be fully justified in terms of achieving the council's priorities and should be approved by the relevant director in consultation with the executive member. Wherever possible, concessions should not be granted to non-Leeds residents.

4. Review of Charges

All charges and the scope for charging will be reviewed at least annually (at budget preparation time) 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.

This guidance applies to fees and charges where the council has discretion over charges for services provided.

The guidance is supported by the fees and charges flowchart attached at appendix 1 the supplementary guidance on concessions attached at appendix 2, and the concessions flowchart attached at appendix 3.

1. PURPOSE OF THE GUIDANCE

- 1.1. The purpose of the 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 guidance and 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.

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. The primary purpose of any company (or participation in any company) is to promote or improve well-being.

2.4. Part 1 of Chapter 1 of the Localism Act provides that 'A local authority has power to do anything that individuals generally may do'. This essentially replaces the wellbeing powers introduced by the LGA 2003. The situation is complex however, for discretionary services where there are no other legislative provisions for charging, a council can recover up to the full cost of providing the service. A council does also have the power to make a surplus but it must do so through a company.

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 (100% subsidy) or where charges do not recover the full cost of providing a service, council tax and business rates 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.

3.3. A 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 (Appendix 2).

- Consider whether the service could be provided more efficiently with a lower level of subsidy by other means.

The detail included in each business case should be proportionate to the scale of the activity. Advice on business cases can be sought from Internal Audit.

- 3.4. Approval for the subsidy should be obtained from the relevant director or chief officer, in consultation with the deputy chief executive and relevant executive member. In addition, during annual budget setting all subsidies should be explicitly identified.
- 3.5. Where possible, non-Leeds residents should not be subsidised. This should only be done where: it is lawful; the cost of administering a second tier of charges would not outweigh the benefits; and this course of action would not be counter-productive i.e. reduce overall income.

4. ASSESSMENT OF CHARGING LEVELS – THE STANDARD CHARGE

- 4.1. The full cost of providing the service must be calculated to determine the standard charge. The calculation must be made in full compliance with CIPFA's Service Reporting Code of Practice for Local Authorities (SeRCOP).
- 4.2. Gross total cost will include all expenditure attributable to the service/activity. Including employee costs, expenditure relating to premises and transport, supplies and services, third party payments, transfer payments, support services (and other overheads) and depreciation.
- 4.3. Total costs should normally include an appropriate share of all overheads. SeRCOP provides advice on what costs should be included in this calculation as well as advice on how these should be charged, allocated or apportioned. For ease of administration and transparency a standard overhead charge will be calculated annually and where appropriate applied to charged for services. This percentage charge may be varied in exceptional circumstances where the actual overhead varies substantially from the standard calculation.
- 4.4. Any subsidy arising from standard charges being set at a level below full cost recovery should be fully justified in terms of achieving the council's priorities in the business case detailed in section 3 of this guidance.

4.5. 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.

4.6. In certain circumstances a statutory service (for which we cannot levy a charge) might be enhanced to include discretionary elements, in such cases the statutory element of costs should be excluded in total cost calculations for the purposes of setting a charge.

4.7. 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.

4.8. 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 councils services;
- The desirability of increasing usage or rationing of a given service (i.e reducing charges during off-peak times).

4.9. Occasionally a service may do work for an external body on an ad hoc basis. In these circumstances there is no requirement for a full business case. The main objective should be to ensure that all direct costs are recovered plus a standard percentage fee for overheads. Internal Audit can advise on the overhead rate to be added.

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 2. 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.

5.5. Wherever possible, concessions should not be granted to non-Leeds residents.

6. PROCESSES AND FREQUENCIES

6.1. Reviews will be carried out at least annually for all services in time to inform the budget setting process. 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:

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

- Supply and demand; (e.g. in some circumstances elasticity of demand may mean that reducing charges could result in increased demand and an increase in overall income)
- Scope for new charging areas.

6.2. In addition to the annual review detailed at 9.5, 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.

6.3. 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.

6.4. The formal reviews will be approved by the relevant director or chief officer in consultation with the deputy chief executive and relevant executive member. Where necessary public consultation should be carried out before any price increases are implemented. 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.

6.5. 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.

7. COLLECTION OF CHARGES AND OUTSTANDING DEBTS

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

- 7.2. All applicable income should be correctly coded to the fees and charges income vote code.
- 7.3. Wherever it is reasonable to do so, charges will be collected either in advance or at the point of service delivery. Electronic means of procurement and payment are preferable.
- 7.4. Where charges are to be collected after service delivery has commenced, invoices will be issued promptly on the corporate system.
- 7.5. 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.
- 7.6. 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.

8. APPROVALS

- 8.1. All decisions on charges for services and trading activities will be approved by the relevant director or chief officer, in consultation with the deputy chief executive and relevant executive member and recorded as delegated decisions, as appropriate.

9. MONITORING AND IMPROVEMENT

- 9.1. 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.
- 9.2. A directory of charges shall be maintained by the deputy chief executive for all charges where the council has discretion over the amounts charged for services provided and for trading activities. This directory will be published prominently on the council's website and updated as and when fees change.
- 9.3. 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.

9.4. 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.

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

10. FINANCIAL PROCEDURES

10.1. The fees and charges guidance should be read in conjunction with Financial Regulations.

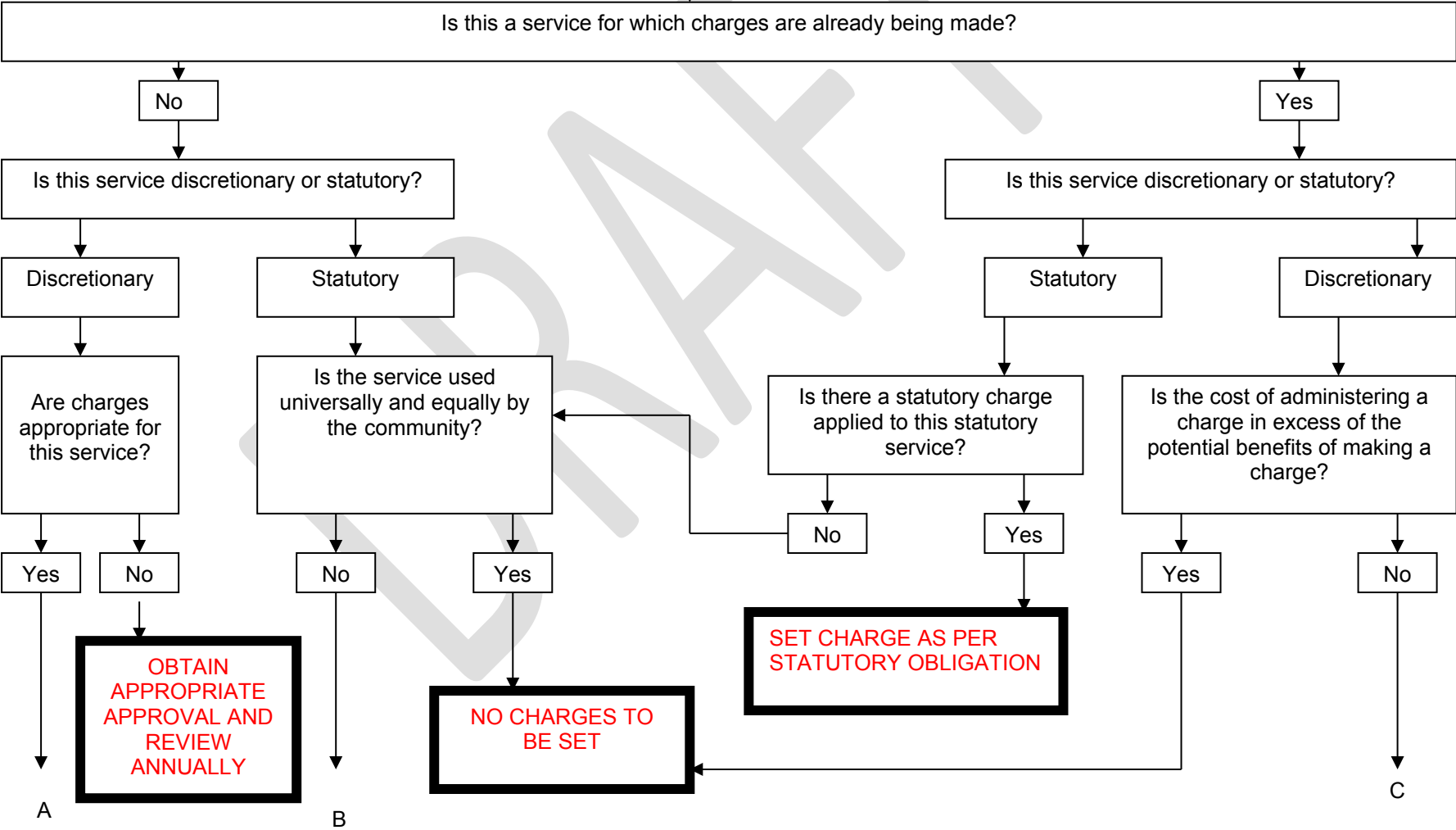
11. REVIEW AND AMENDMENT OF FEES AND CHARGES BEST PRACTICE GUIDANCE

11.1. This guidance shall be reviewed and updated on an annual basis by the deputy chief executive.

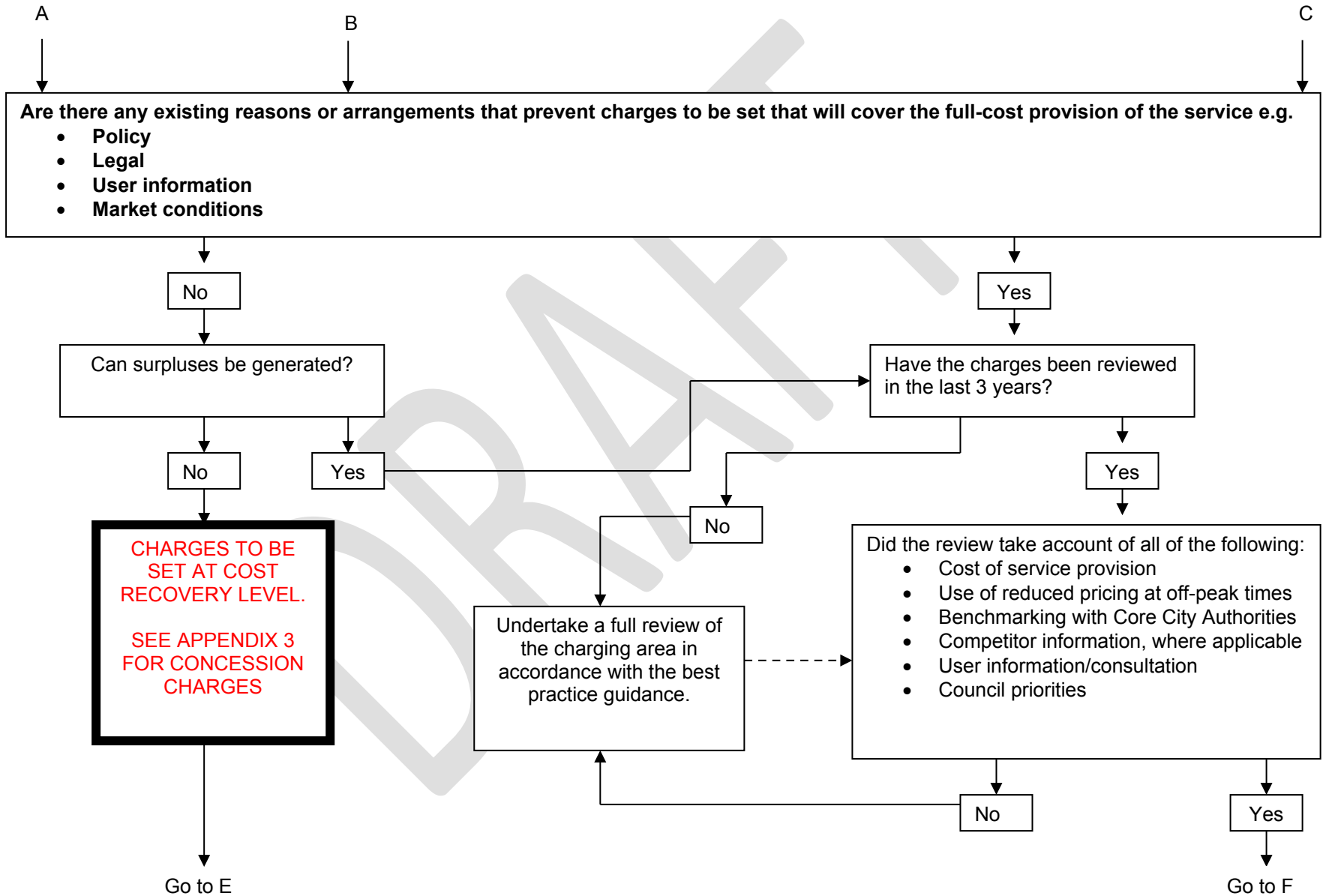
FEEES AND CHARGES BEST PRACTICE GUIDANCE APPENDIX 1

SETTING OF STANDARD FEES AND CHARGES

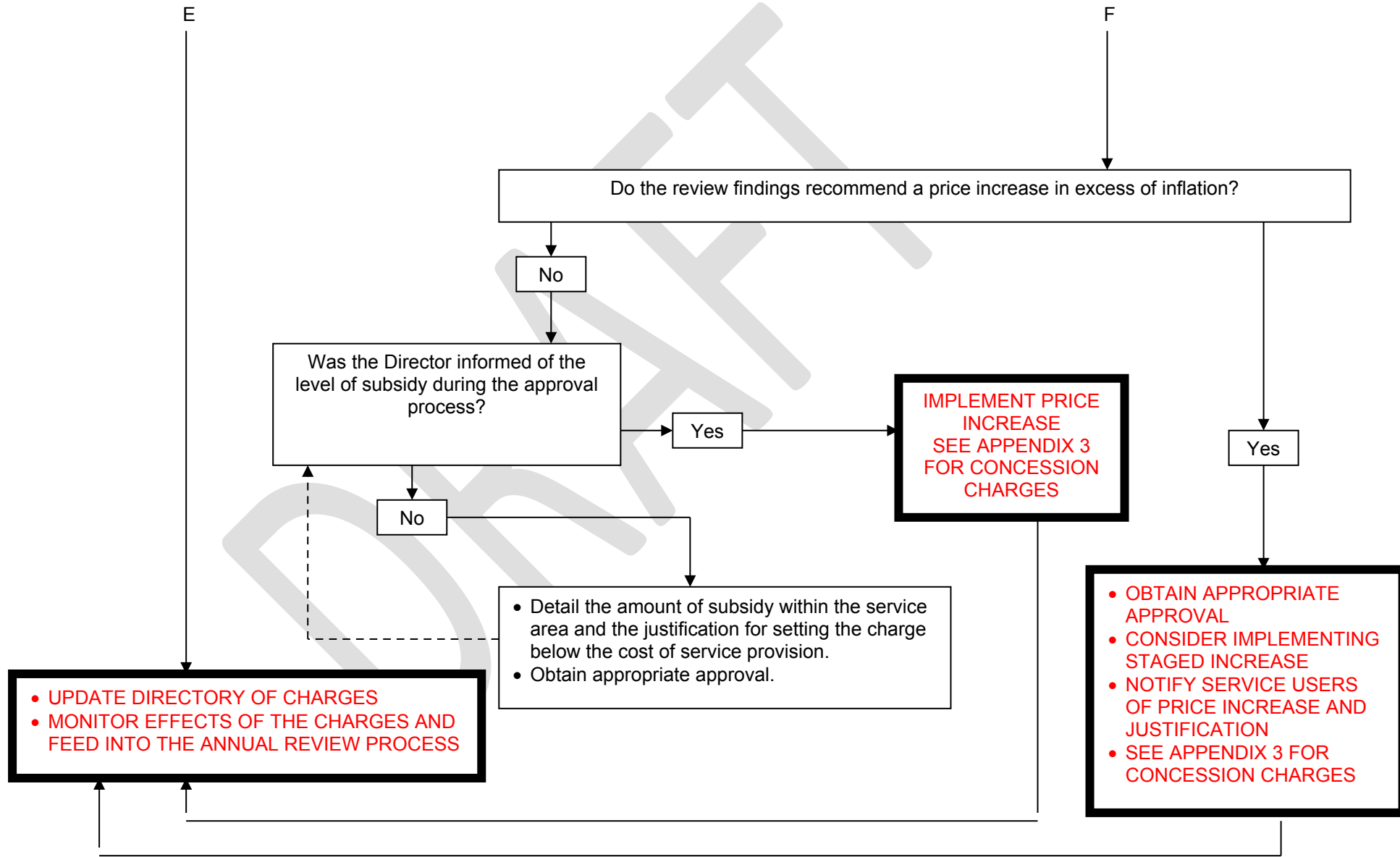
Step 1
Initial Consideration



Step 2
Setting
the
charge



**Step 2
Setting
the
charge
continued**



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Supplementary Guidance on Concessions

Aim of the Guidance

The purpose of this guidance is to provide a consistent approach in setting, monitoring and reviewing concessions across the authority. This will ensure that greater consistency towards concessions granted to target groups for individual services is achieved and that the fees and charges levied for discretionary services are fair and equitable and support social inclusion priorities. The following principles apply:

Principles

1. Council Priorities

A directory of charges shall be maintained and published for all charges and concessions where the council has discretion over the amounts charged for services provided and for trading activities. Accurate user statistics will then enable levels of subsidy being positively provided on social inclusion grounds to be identified separately from other subsidies within net expenditure totals. All decisions on concessions 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. Target Groups

All relevant government guidance should be considered by each service area when concessionary groups and charging levels are set. Where possible concessions should not be granted to non-Leeds residents. A business case should be approved which details the rationale for directing subsidy towards a target group. All concessions should be fully justified in terms of achieving the council's priorities.

Concessionary charges may also be provided in an area of the city when the purpose is to assist the council in achieving a policy outcome.

Concessionary charges may also be made available to organisations whose purpose is to assist the council in meeting specific objectives in its priorities and policy framework, or which contribute to the aims of key local partnerships in which the council has a leading role.

3. Level of Concessions

The level of concession should be set with regard to the service being provided and its use and appeal to the groups for whom concessions are offered.

4. Approval

The director or chief officer, in consultation with the deputy chief executive, will approve the level of concession and the groups for whom the concessions apply once all budgetary and other relevant information for the service has been considered. The level of concession and the target groups in receipt of the concession should be made explicit during the approval process and be fully justified in terms of achieving the council's priorities.

5. Monitoring

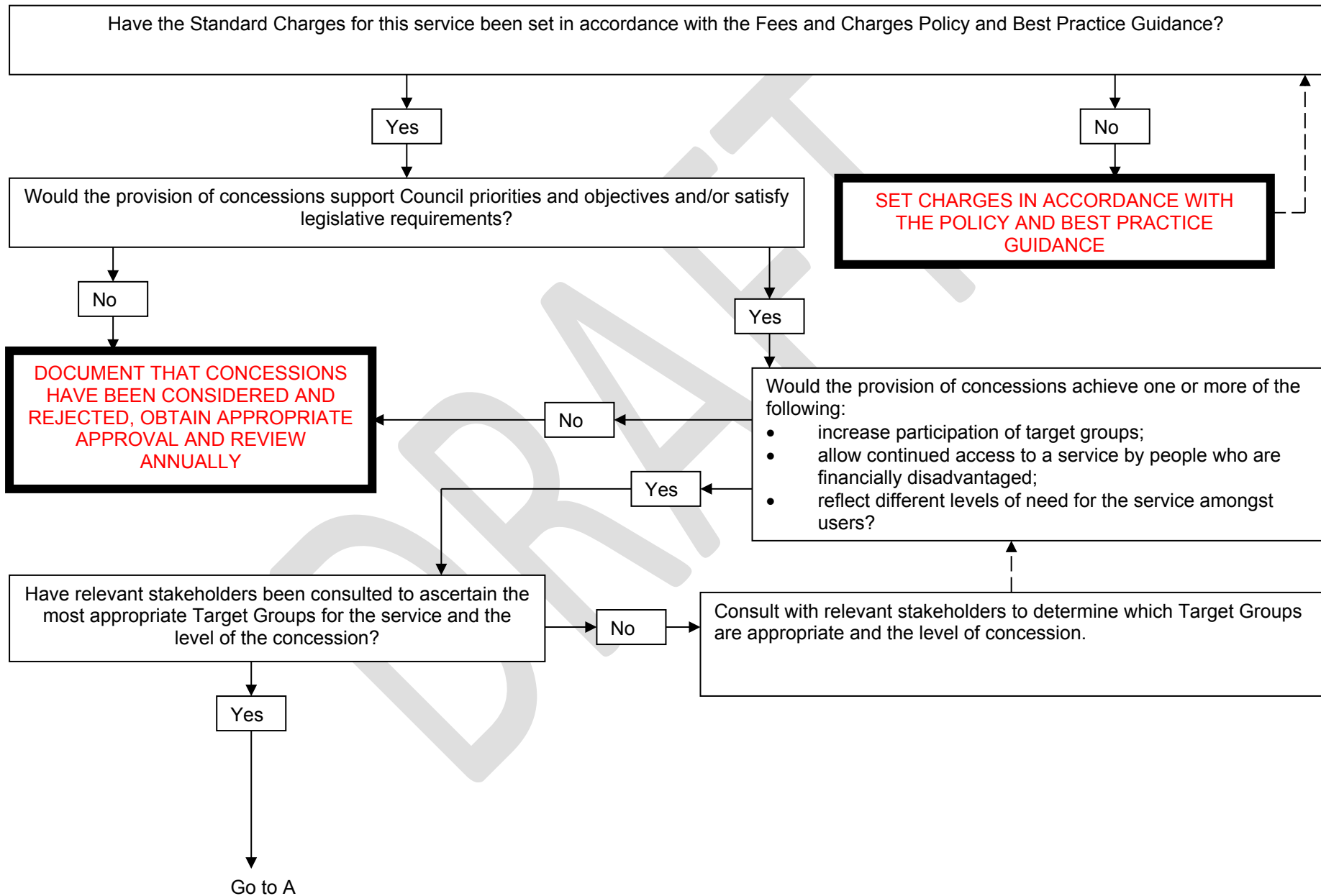
The take-up of concessions should be monitored by individual service areas to identify how well it is helping achieve policy aims.

6. Review of Concessions Guidance

This guidance shall be reviewed and updated on an annual basis.

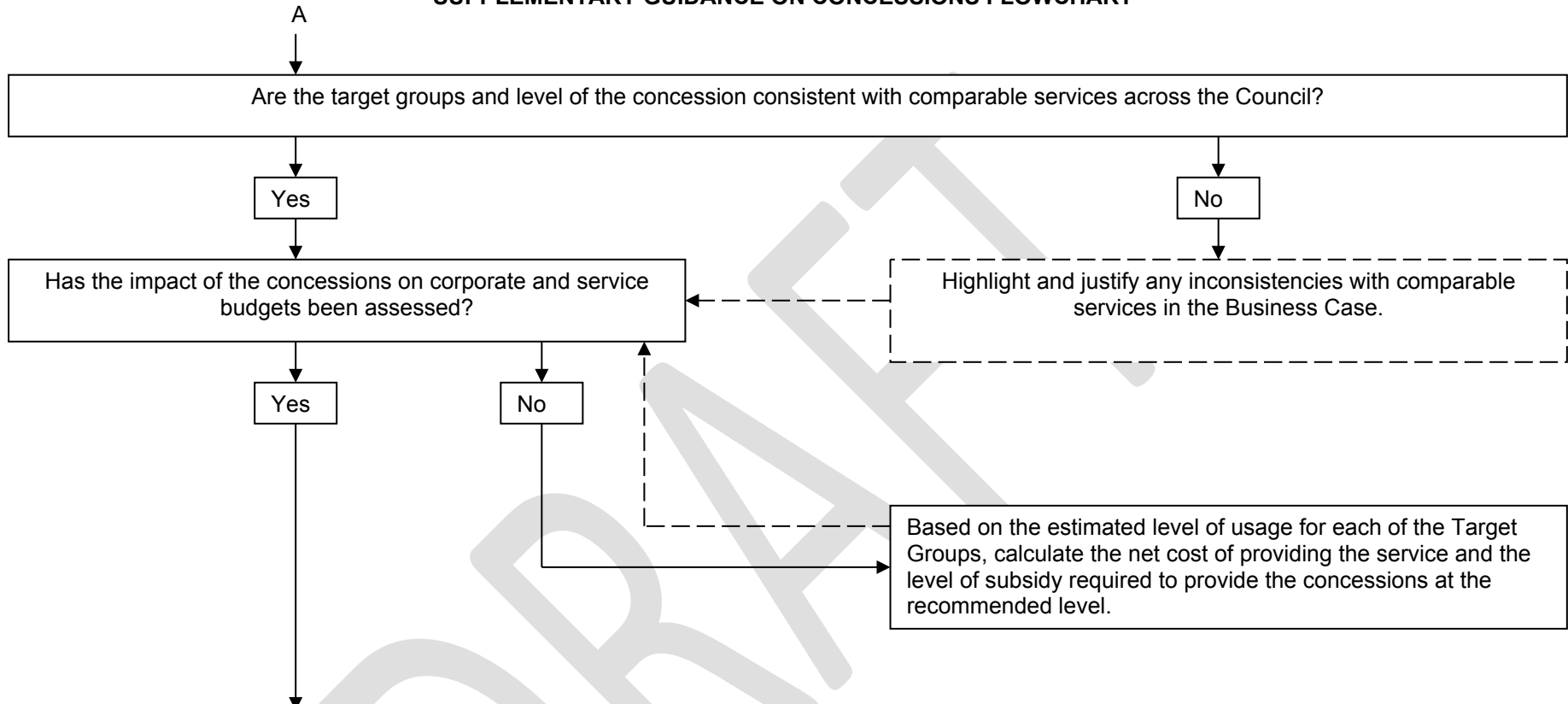
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FEES AND CHARGES BEST PRACTICE GUIDANCE APPENDIX 3
SUPPLEMENTARY GUIDANCE ON CONCESSIONS FLOWCHART



FEES AND CHARGES BEST PRACTICE GUIDANCE APPENDIX 3

SUPPLEMENTARY GUIDANCE ON CONCESSIONS FLOWCHART



- **UPDATE DIRECTORY OF CHARGES**
- **OBTAIN APPROVAL FOR THE BUSINESS CASE WHICH DETAILS THE RATIONALE FOR DIRECTING THE PROPOSED LEVEL OF SUBSIDY TOWARDS A TARGET GROUP. THE BUSINESS CASE MUST BE EXPLICIT IN TERMS OF THE TARGET GROUPS THAT ARE RECOMMENDED TO RECEIVE THE CONCESSIONS AND THE LEVEL OF SUBSIDY THE COUNCIL IS PROVIDING TO FUND THE CONCESSIONS.**
- **MONITOR THE TAKE-UP OF CONCESSIONS AND IDENTIFY HOW WELL CONCESSION SCHEMES ARE PROMOTING ACCESS TO FACILITIES**



Report author: Peter Marrington
Tel: 39 51151

Report of Head of Scrutiny and Member Development

Report to Scrutiny Board (Strategy and Resources)

Date: 23rd November 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

Summary of main issues

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

Recommendations

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

Background documents¹

None used

¹ 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			
Briefings	Terms of Reference/work programming discussion		
Recommendation Tracking			
Performance Monitoring			

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			
Briefings			
Recommendation Tracking			
Performance Monitoring			

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	Update		
Budget/Service Categorisation and income generation	Session 4 – drafting recommendations including discussion with the Leader	Agree final report and link with comments on Executive Budget proposals	
Commissioning	Initial discussion with Director of Adult Social Care		Commissioning
ICT		Session 1 evidence gathering	Session 2
Devolution			
Briefings		Career families	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			

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

Area of review	Schedule of meetings/visits during 2015/16		
	March	April	May
Non contract spend			
Budget/Service Categorisation and income generation			
Commissioning			
ICT	Session 3	Session 4 – drafting recommendations	
Devolution			
Briefings			
Recommendation Tracking			
Performance Monitoring			
Performance Monitoring			