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

Report to Scrutiny Board (Strategy and Resources)

Date: 26th October 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 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.

Main Issues

2. By the time this Scrutiny Board meets, Executive Board would have received and considered the Medium Term Financial Strategy 2016/17 – 2019/20. This clearly sets out the impact of the anticipated reductions in government funding coupled with rising demand for many services, with a forecast that the Council will need to generate savings of £146m by 2019/20 (although this is dependent on the exact level of future core funding from government).
3. The Executive Board report states that addressing an estimated budget gap of £146m by March 2020 will require the Council to take difficult decisions in order to reduce the Council's net spend. These decisions are very likely to include reducing and ceasing services and also generating additional income through increasing fees and charges for services, potentially based on the ability to pay.

4. Members of this Scrutiny Board have recognised this and at their last meeting asked for greater detail of current charges made by Directorates. The Board also agreed to invite Directorate representatives to discuss with members areas where further analysis and consideration into possible new areas for income generation could be 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.
5. The Chair has invited to today's meeting representatives from Citizens and Communities, Environment and Housing and City Development. A summary of their current respective fees and charges are attached. (A larger version has been included in Member's agenda pack for ease of reading)
6. Attached at Appendix 2 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.*
7. 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.
8. Representatives from Adult Social Care and Children's Services will attend the Board's November meeting.

Recommendations

9. 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

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.