

SCRUTINY BOARD (STRATEGY AND RESOURCES)

MONDAY, 23RD NOVEMBER, 2015

PRESENT: Councillor K Groves in the Chair

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

33 Late Items

There were no late items.

34 Declaration of Disclosable Pecuniary Interests

There were no disclosable pecuniary interests.

35 Apologies for Absence and Notification of Substitutes

There were no apologies for absence.

36 Minutes - 26 October 2015

RESOLVED – That the minutes of the meeting held on 26 October 2015 be approved as a correct record.

37 Fees and Charges

The Head of Scrutiny and Member Development submitted a report to introduce the third session of the Board's Inquiry into fees and charges. This session focused on discussions with officers from Adult Social care and Children's Services. In addition the Board received a revised version of the Council's Fees and Charges Policy and Best Practice Guidance reflecting recommendations made by the Board in July and September.

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

- Nigel Richardson, Director of Children's Services
- Tim Pouncey, Chief Officer, (Audit and Investment)
- Ann Hill, Head of Finance, Adult Social Care
- Steve Clough, Head of Revenues Saving Programme

In summary the main areas of discussion were:

- The Directorates responses to the questionnaire previously sent out to all Directorates.
- The range of fees levied to individuals by Children's Services

- The pricing structure for nursery places in Leeds
- The pricing structure for music centres in Leeds and the action being taken to reduce the current deficit
- Areas of traded services within Children's Services including School Improvement and the capacity for the service to increase trade in this area with schools, cluster and other local authorities
- The overall charges levied to schools for services provided by Children's Services
- The levels of subsidy given to Lineham Farm and Herd Farm and the actions taken to ensure the Council is capitalising on the enormous success of this unique and much supported asset
- Funding structures of Children's Centres
- The corporate support provided to Directorates in terms of marketing, communications and business acumen to fully maximise income potential.
- The current consultation taking place with regards non-residential Adult Social care services and options for removing the current cap on the amount anyone pays for their services per week

In addition to the above the Board discussed the revised Fees and Charges Policy and Best practice Guidance. The following recommendations were made:

- **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** should be 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 the Council does not publish all fees and charges and those that are, are published in a multitude of different places, making it very difficult for customers to find pricing information. It is recommended that a full list of fees and charges is published prominently on the Council website and that it is updated as and when prices change. Other channels should also be used to promote the existence of the Council's fees and charges list, including, for example, One Stop Shops, social media and the YEP. Consistency of message is crucial.
- 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 should be strengthened to ensure that decisions about subsidy are made in a more transparent way with reference to all key facts. The new policy should require 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 recommendation that consideration should be given to avoising subsidisation of **non-Leeds residents** . It is acknowledged that this may be difficult to achieve in some circumstances.

- The revised policy and guidance should provide 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 the new guidelines should 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.
- **A recommendation that 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 should be 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. **Regular reviews of take up should be undertaken.** It is recommended that consideration be given to not granting concessions to **non-Leeds residents**.
- The section on **waivers should be removed** because the council has other policies in place that cover this eventuality (debt recovery policies).

In terms of the next steps, the Board agreed that they would receive information on the following;

- Funding structures of Children's Centres, including a commentary on pricing policy in nursery
- A note on the work undertaken to reduce the deficit in Music Centres.
- Breakdown of take up of school improvement services by school type

- Breakdown of school surpluses (and school contribution to Children's Centres)
- A note on Lineham Farm and Herd Farm - including current costs and recovery rates including extent to which the council subsidises these facilities?

It was also agreed that the Chair in conjunction with the Head of Scrutiny and Member Development draft an Inquiry report with the view that this be agreed at the Board's December 2015 meeting

RESOLVED –

- I. That the Board receive the requested information
- II. That the Chair in conjunction with the Head of Scrutiny and Member Development draft an Inquiry report.

38 Work Schedule

The Head of Scrutiny and Member Development submitted a report which provided information regarding the Board's work schedule.

RESOLVED – That the Board's work schedule be noted.

39 Date and Time of Next Meeting

Monday 21 December 2015 at 10.00am.(Pre-meeting for all Board Members at 9.30 am.)

(The meeting concluded at 12 noon)