



REPORT TO: CORPORATE COMMITTEE ON 31 JANUARY 2023

SUBJECT: CHARGING FOR SERVICES

BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)

1. REASON FOR REPORT

- 1.1 To ask Committee to approve revised charges for Council services for 2023/24.
- 1.2 This report is submitted to Committee in terms of Section III (B) (1) and (48) of the Council's Scheme of Administration relating to financial policy and the setting of charges.

2. RECOMMENDATION

2.1 It is recommended that Committee:

- (i) **approves the charges for Council services for 2023/24 set out in APPENDIX 1; and**
- (ii) **delegates authority to officers to vary charges made for use of electricity to ensure the actual cost is recouped in the event of in-year increases in the cost of electricity.**

3. BACKGROUND

- 3.1 The current Charging for Services Policy was approved by Policy and Resources Committee on 24 October 2017 (paragraph 6 of the minute refers). Under the policy, an annual revision of charges is required. In order to preserve the Council's financial position, charges within the control of this council are generally inflated annually. However, the Corporate Committee on 12 October 2021 approved a default freeze of charges for 2022/23 at 2021/22 levels (paragraph 6 of the Minute refers) and so most charges have not been increased for two years.
- 3.2 The Charging for Services Policy assumes a default position of full cost recovery, recognising that there will be exceptions to that rule. In cases where the Council offers a service where there are alternative service providers then market conditions should be taken into account. In other instances benchmarking with other local authorities may be a good test of

reasonableness. There may be policy reasons for charging at less than full cost recovery for some services. However, charging for services is an important tool when considering the Council's overall budget and the Council on 10 August 2022 approved a hierarchical approach to savings which places income generation above reduction in service (paragraph 16 of the Minute refers). Given that approach it is clear that charges for services should be carefully scrutinised to ensure that income for the Council is maximised to protect Council services at a time when significant savings – in the order of £28 million over the next two years – require to be made.

3.3 Not all charges are within the Council's control. Some charges levied by the Council for services provided are set by statute, some are limited by statute and some have the method of calculation prescribed by statute – these are indicated in **APPENDIX 1** and are included for the sake of completeness.

3.4 The reason behind the recommended charges for 2023/24, where these are within the Council's control, are discussed on a section-by-section basis below.

3.5 **A: Corporate / cross departmental**

A3 and A3a – loan and title lending and 14 day letter for industrial estates arrears. These charges are proposed to be increased to reflect recovery of the cost of staff time involved.

A3b – A3d – new charges linked to industrial estate debt recovery. These charges are proposed to recover the cost of officer time at various stages of debt recovery.

A4 and A4a, A5 – recovery of legal costs. The charges proposed reflect the cost of providing these services.

A12, A13, A13a – use of marriage room and surcharges for other venues/ Saturday weddings. It is proposed that the charges are increased by 8%.

This is below the current rate of inflation as measured by the Consumer Price Index (CPI).

A18 – photocopying. An increase of 5p in the cost per A4 sheet is proposed and other charges uplifted in line with this and an increase of 5% in staff costs to £20 per hour is proposed, reflecting the average pay award.

A22, A23 – provision of committee papers; HR training to external services. No increase proposed.

A24 – a new charge of 50p per transaction is proposed for payment of Council Tax in Post Offices or at paypoints – this would cover the charges levied on the Council and is designed to make the method of payment cost neutral to the Council by passing the cost to those Council Tax payers who elect not to pay by Direct Debit. This is proposed as a budget saving. The cost to the Council of cash payments in 2021/22 was £12,000.

3.6 **B: Social Care Services**

Moray Council delivers social care under the aegis of Moray Integration Joint Board (MIJB). The ability to set charges is a function of the Council and not of MIJB. However, in previous years the Council has requested MIJB to make recommendations regarding the level of charges, so that a holistic view can be taken of charges for social care and their relation to service issues, and in the spirit of partnership working. The charges included in section B relating to services carried out for MIJB are as recommended by MIJB officers – 4% being 2 years inflation at the Treasury target of 2% pa.

3.7 C: Leisure facilities

C1 – Fit Life. Recommended to freeze to maintain level of individual membership to maintain parity with Moray Leisure Centre and avoid loss of membership. Recommend to increase family membership by £1 per month (3% increase) as still very good value and Moray Leisure Centre will increase to match if approved.

C2, C3 – swimming pools, indoor facilities. Proposed increased based on benchmarking with neighbouring authorities, with a view to increased prices making FitLife membership more attractive.

C4b,c – pavilions, grassed pitches – minimal increases.

C4e,f – price freeze to encourage use and maintain cost just below local private operators.

C5a – school facilities for meetings –recommended to align across all facilities.

C5b, C9a – sports halls; community centre admissions. 5% increase recommended (half current CPI).

3.8 D: Libraries and Information Services

D1a – fines. Recommended removed per recommendation from Cost of living Working Group reported to Council on 7 December 2022 (paragraph 16 of the Minute refers). D1d – replacement card. Recommend reduce to align with cost of card.

D1e, D1f – CDs, art prints, sale of withdrawn items. Remove as services to be discontinued.

D1h, D1j – heritage search, one to one tuition. Recommended 5% increase in line with leisure facilities recommended increase.

D2 – Elgin library room hire. Proposed to align per C5a.

3.9 E: Education

E2 – Sports coaching. Proposed 10% increase to align with neighbouring authorities and encourage Fit Life uptake. Propose separate charge for trampolining

E3 – school meals. Increase by 4% proposed to reflect increasing costs, but mindful of providing good value pricing to encourage uptake.

3.10 F: Economic Growth and Development Services

All services bar F4q. Proposed increase of 8% to reflect staff pay award and increased cost of fuel.

F4q – Development Management: requests for non-material variation of previously approved schemes. Charge only recently introduced so no increase proposed.

3.11 G: Waste Management, Land and Parks

G1 – waste management. Proposed increases from 4% to 10%, reflecting assessment of the market. Two charges - garden waste permits and commercial waste disposal - are included at reduced rates previously approved by Council.

G2 – burial grounds. Proposed increase of 10% recommended to generate savings following a benchmarking exercise .

G3, G4 – fairgrounds, circuses, commercial events in open spaces. Proposed 10% to generate savings following assessment of market tolerance..

G6 – photo shoots, filming in open space. These were new charges introduced in 2022 and only minor amendments are recommended in the light of experience.

G8 – electricity charge. Should be full cost recovery and increase to £0.27 per kWh recommended from 1 April 2023 and recommended that the charge is increased as and when future increases in cost are applied to cover the increase.

G9 – memorial benches. New charges for the purchase and installation of memorial benches in parks or green spaces are recommended.

3.12 H: Fleet, roads and transportation

H1a – taxi test. Proposed 2% increase to keep close to DVSA rate for other vehicles.

H1f – car evaluation. This service is not offered and the charge should be removed.

H1g – minibus drivers' assessment. Proposed 4% increase.

H2 – roads consents. Proposed 10% increase following benchmarking with neighbouring authorities

H3 – car parking. Range of amendments proposed to reflect the fact that the charges were last revised five years ago. There are interplays between the charges, and the recommendation is that the proposals can be delivered without suppressing usage.

H4 – roads construction consent. No change proposed as this is commercially sensitive.

H5 – public transport unit. Generally a 10% increase proposed with the exception of H5d (community bus fares) where a new fare structure was approved by Economic Development and Infrastructure Committee on 22 September 2022 and no change to that is proposed.

3.13 I: Harbours

I1 – cargo vessels. A range of proposals from a price freeze to a 10% increase reflect the results of a benchmarking exercise with neighbouring ports.

I2 – fishing vessels. No increase in recommended, mindful of the decline in the industry.

I3 – recreational vessels. A 10% increase is proposed as a savings measure, with the exception of I3e (rover ticket) where a price freeze is recommended to remain in line with Aberdeenshire Council's charge and I3f (visiting day ticket) following benchmarking with neighbouring ports.

I4 – harbour dues – following benchmarking with neighbouring ports, an increase of 20% is recommended for I4e (use of harbour for demonstration etc) and a price freeze for I4f (charity events) and I4h (hire of a single gangway).

I5, I6, I7, I8, I9, I10, I11, I12 – wharfage, slipway and repair pads, weighbridges, pilotage, supply of water, electricity, fuel transfer and ground rent. Following benchmarking with neighbouring ports a range of proposals from price freezes to a range of increases.

I14 – hire of room at harbour. It is proposed that this is brought into line with C5 and D2.

3.14 K: Housing and Property

K1 – Moray Council sheltered housing warden service. An increase of 3.5% is proposed as this aligns with the tenants' preferred option for rent increase from the consultation on housing rents currently being undertaken.

K3a – applications to purchase garden ground. An inflationary (CPI) uplift of 11.5% is proposed for fees, with an increase to £450 for committee report preparation to cover the cost of the work involved.

Generally, increases to fully recover the cost involved as recommended to property fees

4. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

The levying of charges for Council services is an essential component of delivering Council priorities on a sustainable basis.

(b) Policy and Legal

The current policy for charging for Council services was approved by this committee on 24 October 2017. There are no legal implications arising from this report. Some charges are set or limited by legislation.

(c) Financial implications

The current budget for incomes from individual charges is included as a guide to the impact which these charges have on the Council's financial position. If all recommended charges are approved it is estimated that an additional £400,000 income will be generated from charges for services.

(d) Risk Implications

There are no risk implications arising directly from this report.

(e) Staffing Implications

There are no staffing implications arising directly from this report.

(f) Property

There are no property implications arising from this report.

(g) Equalities/Socio Economic Impact

There are no equalities implications or implications for the socio-economic duty arising from this report

(h) Climate Change and Biodiversity Impacts

There are no implications for climate change or biodiversity arising from this report.

(i) Consultations

All Heads of Service and the Equal Opportunities Officer have been consulted in the preparation of this report and comments incorporated.

5. CONCLUSION

5.1 Following benchmarking and reviews for consistency across Council services and mindful of the need to make savings, with increased income preferred to cuts in services, a range of variances in charges are recommended and set out in APPENDX 1 to this report..

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Background Papers:
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