



REPORT TO: POLICY AND RESOURCES COMMITTEE ON 14 JANUARY 2020

SUBJECT: CHARGING FOR SERVICES

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

1. REASON FOR REPORT

- 1.1 To ask the Committee to approve revised charges for council services for 2020/21.
- 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 the Committee approves the charges for Council services for 2020/21 set out in APPENDIX 1.**

3. BACKGROUND

- 3.1 The current Charging for Services Policy was approved by this 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. This committee on 29 October 2019 approved a default uplift for inflation of 5% for 2020/21 (paragraph 7 of the Minute refers).
- 3.2 An inflation increase cannot be applied to all charges. 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.

- are impractical to increase by inflation on a year-on-year basis, typically small charges and those collected by coin-in-the-slot machines where the cost of re-calibrating the machines outweighs any increased income which would be generated.

3.3 Where charges within the council's control are not proposed to be increased by 5% the reasons are discussed on a section-by-section basis below.

3.4 **A: Corporate Services / cross departmental services**

3.4.1 Photocopying charges (A18) are proposed to be left with no inflation increase, due to the minimal impact of these charges.

3.4.2 Any vacant places on generic training courses are offered to local businesses and third sector organisations for a small fee. It is proposed to increase the charge from £30 to £40 as being more in line with the market. The Chamber of Commerce and tsiMoray have been informally consulted and have indicated that they think this is a reasonable charge.

3.5 **B: Social Care Services**

3.5.1 The committee on 29 October 2019 agreed to request Moray Integration Joint Board (MIJB) to recommend charges for the services which the council carries out for MIJB (paragraph 7 of the Minute refers). MIJB at its meeting on 29 November 2018 agreed to recommend the charges set out in section B of **APPENDIX 1**, with the exception of Moray Training, which does not fall within the remit of MIJB.

3.5.2 Moray Training offers SVQ training to care providers. The registration component of SVQ fees is set by SQA and this component has now been separated out in the proposed charges for 2020/21. Fees charged to external bodies for First Aid training are proposed to be increased by 5%, but it is proposed to reduce fees charged to council employees to make the use of this service more attractive for the council.

3.6 **C: Leisure Facilities**

3.6.1 It is proposed that the increase in Fit Life membership is limited to £1 per month, equivalent to a 4.5% increase. It is considered that an increase of more than £1 per month would be off-putting to members of the scheme.

3.6.2 It is proposed that the cost of a 35 day membership card – targeted at students returning to Moray for vacations, temporary workers, tourists – is left at £35 to reduce the temptation for people in Moray for a limited time to take out an annual subscription then cancel when they leave the area. This option is already more expensive than one twelfth of the annual subscription.

3.6.3 There are minor variances from a 5% increase to the charges proposed, due to rounding.

3.7 D: Library and Information Services

- 3.7.1 It is proposed that the hire of DVDs is pegged at £2.50, which is considered to be the market rate. It is proposed that computer print outs are pegged at 10p per sheet, in line with the cost of photocopying. It is proposed that colour print outs are pegged at 35p per sheet. It is proposed that the model of charging for scanning and emailing and faxes is changed, to reflect staff time and encourage self-service, with a £2 charge for the first sheet and thereafter 10p per sheet for scan and email and 50p per sheet for fax (rarely used). These charges have little impact on income received.
- 3.7.2 It is proposed that the charge for community use of the small meeting room in Elgin library is reduced to £6.75, as it is intended that community use should always be the lowest charge for the facility.
- 3.7.3 There are minor variances from a 5% increase to the charges proposed, due to rounding – all prices have been rounded to the nearest 5p for convenience.

3.8 E: Education

- 3.8.1 It is proposed that charges for instrumental instruction are held at the current level. Moray's charges are currently the second highest in Scotland. Previous increases have seen a drop in the uptake of the service, with reducing numbers outweighing the impact of increased charges. Anecdotal evidence suggests that parents and carers with income just above the entitlement to Free School Meals threshold are finding it increasingly difficult to afford music instruction fees. It is considered that at a time when the service is attempting to grow by establishing alternative income streams including commercial links and sponsorship that an increase in fees would be counter-productive.
- 3.8.2 As previously reported to this committee on 24 October 2017, the increase in the cost of school meals in 2017/18 resulted in a downturn in uptake. As reported to Council on 29 November 2019 (paragraph 14 of the Minute refers) a further down-turn in uptake is being experienced in 2019/20. The loss of income from reduction in uptake increases the subsidy per school meal borne by the council. It is not proposed to increase the charge for school meals in 2019/20.

3.9 F: Development Services

- 3.9.1 New legislation on water sampling for private water supplies were reported to this committee on 7 August 2018 (paragraph of the Minute refers). That report recommended that the new charges under the legislation were increased by 5% above inflation until full cost recovery is achieved. Accordingly an 8% increase above the charges approved in August are recommended. The charge for a risk assessment for private water supplies every five years has been incorporated into the charge for Regulation 2 samples, with one fifth of the previous five-yearly charge (plus 5%) included in the proposed charge for samples.

3.10 G: Waste Management, Land and Parks

3.10.1 Trade waste charges are being reviewed by the service with accountancy support as part of a drive to make this service more commercial. It is proposed that current charges are pegged until the review is concluded. This service competes with the private sector and has been experiencing an erosion of its customer base which further increases in cost will exacerbate. Trade waste charges will be subject to a separate report to review appropriate charging levels and use of recycling permits before the end of the financial year so that new charges can take effect from 1 April 2020.

3.10.2 It is proposed that the charge for household garden waste permits is increased from £36 to £40. Due to lack of availability of staff cover during the festive period it is proposed to have no brown bin service over next year's two week festive period (21st December 2020 until 4th January 2021). This will mean a reduction from 26 brown bin collections to 25 collections next year. This year collections were spread over 3 weekends either side of the public holidays to ensure that we had enough crews to collect all material streams. This would also be required next year if brown bin collections were to go ahead over the festive period. If only green and recycling bins were being collected, then service would be over 2 weekends as is our standard, meaning a reduction in overtime and fuel costs. A reduction in the number of bins to be presented will reduce the disruption and confusion for householders. While it is recognised that there is a charge for this service, not collecting the brown bin results in the least impact on householders. The volume of garden waste is at its lowest point during this period of the year and there would be sufficient capacity in the brown bin even accounting for food waste which is collected from about 50% of households in Moray. This arrangement is estimated to save around £15,000 in overtime costs

3.10.3 New charges for burials of the remains of people not resident in Moray at the time of their decease are proposed, in line with similar charges levied by Aberdeenshire Council.

3.11 H: Fleet, Roads and Transportation

3.11.1 It is proposed to remove the special rate for MOT test for Council employees, as adding 5% to that charge would make it almost the same as the standard charge.

3.11.2 It is not proposed to amend car parking charges for 2020/21, a 5 percent increase would result in a charge that would not be a round figure e.g. £1.05. The car parking machines do not give out change and this would be very unpopular with car park users. Typically car parking charges are multiples of £0.50. The last increase in charges was May 2018.

3.12 I: Harbours

3.12.1 The charges at I6a are ad hoc charges which are comparable with neighbouring harbours, any further increase could result in losing trade.

3.13 **K: Housing and Property**

3.13.1 It is proposed that the charge for sheltered housing wardens is increased by 3%, in line with the intended proposal for council house rents in 2020/21.

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**

Levying charges for services forms an important part of the Council's strategy for balancing its annual budget, by generating an amount of income from service users. 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.

(d) **Risk Implications**

There are no risk implications arising directly from this report. There is always a risk that service usage drops if charges are increased. Budget managers have been asked to take this into account when recommending charges.

(e) **Staffing Implications**

There are no staffing implications arising directly from this report. Increasing charges collected by direct debit entails additional workload for the Payments Section.

(f) **Property**

There are no property implications arising from this report.

(g) Equalities/Socio Economic Impact

The council's need to make savings has been considered in the context of the duty to consider the desirability of reducing impacts that are a result of socio-economic inequalities. For a number of charges it has been found that an increase would have little impact on Moray Council's financial position but would lead to impacts on families who have children and whose income takes them above the threshold for free services. An increase in charges for some of the services would have a cumulative economic impact on these families. It is therefore proposed not to increase charges for instrumental instruction (para 3.8.1) and school meals (para 3.8.3). It is proposed to reduce the charge for the hire by community groups of the small meeting room at Elgin Library in order to promote community use. By reducing the number of brown bin collections, an increase in the charge for brown bin garden waste collection is being kept to a minimum. The proposal to keep the increase in charge for sheltered housing wardens below 5% will offer some financial assistance to elderly and disabled residents in Moray.

(h) 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 Generally, charges within the control of the council and not the subject of specific budget proposals are recommended to be increased by an inflationary factor of 5%.

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Background Papers:
Ref: LP/LJC/