



---

**REPORT TO: SPECIAL MORAY COUNCIL ON 12 DECEMBER 2023**

**SUBJECT: CHARGING FOR SERVICES**

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

**1. REASON FOR REPORT**

1.1 To ask the Council to approve the revised Charging for Services Policy and agree the default inflation increase for fees and charges for Council services for the period 2024/25 to 2026/27.

1.2 This report is submitted to Council 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 Council:**

- (i) approves the revised Charging for Services Policy, as set out in APPENDIX 1;**
- (ii) agrees the default increase for charges for Council services for the period 2024/25 to 2026/27 is the Consumer Price Index including owner occupiers' housing costs (CPIH) plus 1% as measured for October of the year before the increase takes effect;**
- (iii) agrees that charges increased by the default increase do not require to be brought to Council for further approval;**
- (iv) requests Moray Integration Joint Board (MIJB) to recommend charges for services delivered under the aegis of MIJB ;**
- (v) notes that after charges not complying with the default increase are approved by Council a comprehensive list of all charges for Council services for the coming financial year will be published on the Council's website.**

### **3. BACKGROUND**

- 3.1 The current Charging for Services Policy was approved by Policy and Resources Committee on 24 October 2017 (paragraph 8 of the Minute refers). It is good practice to review policies periodically. A review of the policy has been carried out and changes are recommended. These are set out in **APPENDIX 1** using tracked changes.
- 3.2 Under the previous corporate Charging Policy, an annual revision of charges was required, with the default increase approved on an annual basis. In order to facilitate future planning and in line with the Income Strategy proposed by another report to this meeting of Council on Short to Medium Term Financial Planning it is now proposed that the default increase is set for the next three years. The measure used by UK Government for inflation is CPIH. An increase by inflation preserves real levels of income which the Council generates by charges for services. CPIH should therefore be the minimum increase applied. Given the need to bring the Council's budget into a sustainable position over the next two years, an increase in income in real terms would be advantageous and is in accord with the savings hierarchy and the Short to Medium Term Financial Strategy approved by Council on 27 September 2023 (paragraph 9 of the Minute refers).
- 3.3 Before applying the increase, charges should be reviewed to ensure their conformity to the Council's Charging Policy. Review and preparation of charges is a time consuming exercise. To facilitate review and preparation charges the default rate should be based on CPIH for October before the coming financial year. That rate will be published in November of each year. This is considered to be the latest rate reasonable to use.
- 3.4 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.
  - 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.
- 3.5 The income generated by charges for services is around £8 million, of which £1 million is retained by the MIJB. Based on that budget, as a rule of thumb, income might be expected to increase by £70,000 for every 1% increase in charges. This needs to be caveated however, as increasing prices only increases the income to the Council if usage of services remains buoyant.
- 3.6 It is proposed to set up a short life group of Officers as a Peer Review body to review charges across the Council as part of the review of charges for 2024/25.

- 3.7 The Council has the statutory duty of setting charges for social care services. The income generated from these charges is included within the MIJB funding envelope. As the level of charges has an impact on the income to the MIJB and a potential impact on the uptake of services it is considered appropriate that the MIJB recommend to the council what charges / contributions should be set for social care services.

#### **4. SUMMARY OF IMPLICATIONS**

**(a) Moray 2026: A Plan for the Future and Moray Corporate Plan 2015 - 2017**

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

**(b) Policy and Legal**

If approved, the revised policy for charging for Council services will take immediate effect and be applied when setting charges for 2024/25.

There are no legal implications.

**(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.

**(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.

**(e) Staffing Implications**

There are no staffing implications arising directly from this report.

Charges are raised and collected by departments and this is part of the normal workload. 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**

There are no equalities implications arising directly from this report.

Integrated Impact Assessments will be carried out for individual charges if assessed as required.

**(h) Climate Change and Biodiversity Impacts**

There are no climate change or biodiversity impacts arising directly from this report.

**(i) Consultations**

CMT, all Heads of Service, the Principal Accountant and the Payments Manager have been consulted in the preparation of this report.

**5. CONCLUSION**

- 5.1 The Charging for Services Policy will assist managers in setting appropriate levels of fees and charges. It also provides for regular reviews within the overall financial planning process.**
- 5.2 A default uplift of CPIH plus 1% should protect and increase the Council's real income from charges, subject to any impact on demand.**
- 5.3 The MIJB should have a strategic role in setting charges for social care.**

Author of Report: Lorraine Paisey, Chief Financial Officer  
Background Papers:  
Ref: SPMAN-1293228629-991