

Report To:	Policy & Resources Committee	Date: 18 November 2014
Report By:	Chief Financial Officer	Report No: 2014/AP/P&R/18
Contact Officer:	Alan Puckrin	Contact No: 01475 712223
Subject:	Charging Workstream	

1.0 PURPOSE

- 1.1 The purpose of this report is to advise the Committee of the progress made by the Charging Workstream officer working group in producing a Council Charging Policy and in identifying options to meet the required workstream target of £470,000 set as part of the 2015/16 budget.

2.0 SUMMARY

- 2.1 An initial target of £350,000 was set in 2013 to be achieved by 2015/16 from new / increased charging. In February 2014 this sum was increased to £470,000 due to a reduction in the Terms & Conditions workstream saving target.
- 2.2 This report provides an overview of the progress made by the officer working group, since October 2012 to date, and identifies a number of options for increasing existing charges by £218,000 and the introduction of possible new charges of £377,000 required in order to meet the workstream saving target of £470,000 by 2015/16.
- 2.3 Officers are delivering a Charging Policy Document to provide a corporate framework and process for charging in line with good practice and will bring this back to a future Committee for approval.

3.0 RECOMMENDATIONS

- 3.1 That the Committee consider the contents of this report and agree that the proposals in Appendix 1 and Appendix 2 in this report form part of the 2015/17 Budget Consultation.
- 3.2 That the Committee note that a decision on how to address the 2015/16 saving of £470,000 will be required at the February 2015 Budget Meeting.
- 3.3 That the Committee note the current position of the draft Charging Policy document.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 A Charging Policy Workstream Scoping Paper was approved by the Corporate Management Team in October 2012 which identified a timetable for key pieces of work to be progressed.
- 4.2 An officer working group covering all Directorates was identified to take forward this work and was chaired by the Chief Financial Officer. Following the scoping paper a dedicated session was held at each Directorate management team meeting to set the scene, discuss the process and establish requirements from each Directorate, culminating in the options identified at 4.3 below.
- 4.3 The officer working group has met on a regular basis with an update report taken to the Corporate Management Team on 9 January 2014, which included detailed options totalling £651,000. The options as summarised were:

Service Committee	Increase Existing Charges £'000	Proposed New Charges £'000	Total £'000
CHCP Social Work	51	167	218
Environment, Regeneration & Resources	120	9	129
Education, Communities & ODHR	52	252	304
Total	223	428	651

- 4.4 This report also identified that an Audit Scotland Report "Charging for services; are you getting it right?" had been published and a subsequent report and action plan were presented to the Policy & Resources Committee on 4 February 2014.
- 4.5 As part of the budget decisions in February 2014 the workstream target was subsequently revised to £470,000
- 4.6 Following the revision of the workstream target and progress reported to the CMT a further session was held at each Directorate management team meeting to review progress to date, to confirm a revised target of £470,000 and to refine the proposals from each Directorate.
- 4.7 The detailed proposals for increasing existing charges and potential new charges are as undernoted. The latest options total £595,000:

Service Committee	Increase Existing Charges £'000	Proposed New Charges £'000	Total £'000
CHCP Social Work	35	236	271
Environment, Regeneration & Resources	136	6	142
Education, Communities & ODHR	47	135	182
Total	218	377	595

5.0 PROPOSALS

- 5.1 Following the Committee's decision on 30 September to consider £10million saving proposals at today's Committee meeting, it is recommended that the Committee include the proposals in Appendices 1 and 2 within the overall budget consultation exercise.
- 5.2 The Committee is asked to note that detailed pro-formas have been prepared for the options included in this report and these will be discussed in more detail with Members over coming months.
- 5.3 Appendix 1 & 2 contain Benchmark figures based on information from 6 neighbouring councils. It should be noted that officers have used the most up to date information but not all figures relate to 2014/15.

6.0 IMPLICATIONS

6.1 Finance

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs / (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From	Other Comments
Various	Income	April 2015	470	N/A	Saving options to be confirmed as part of the 2015/17 budget to achieve the required savings target of £470,000

6.2 Legal

There are no specific legal implications arising from this report.

6.3 Human Resources

There are no specific human resources implications arising from this report

6.4 Equalities

An initial equalities impact assessment has been undertaken on the draft Charging Policy, highlighting a number of issues, including the need to consider;

- Ensuring that all groups have equality of opportunity.
- Promotion of positive impacts within the policy.
- Clarity of objectives for each group in receiving concessions and waivers, impact on good relations between groups.
- Access to all parts of the community for engagement to be considered.

In addition to the policy individual charging proposals may also require an equalities impact assessment.

6.5 Repopulation

There are no repopulation issues within this report.

7.0 CONSULTATION

7.1 This report has been prepared in consultation with officers on the Charging Working Group and with Corporate Directors via discussions at their management meetings.

8.0 BACKGROUND PAPERS

8.1 None.

CHARGING WORKSTREAM - OPTIONS TO INCREASE CURRENT CHARGES

REVISED AS AT 18 SEPTEMBER 2014

APPENDIX 1

Ref	Name of Charge	Current Charge	Current Volume	Current Income	Proposed Charge	Proposed % Increase	Attrition reduction	Revised Volume	New Income	Increase in Income	Benchmark Data	
	Description of the charge	£ value per unit	Annual Units	£ annual income	£ value per unit	% increase	% drop off	Revised Annual Units	£ annual income	£ increase / (decrease)	Highest £ unit	Lowest £ unit
	CHCP Social Work											
1	Day Care Meals (3 centres)	2.10	15,409	32,359	2.30	9.52%	0	15,409	35,441	3,082	2.50	2.22
2	Learning Disability - Care at Home	11.20	9,152	102,500	12.00	7.14%	0	9,152	109,821	7,321	14.70	11.50
3	Home Help Charges (Per Hour)	11.20	20,926	234,370	12.00	7.14%	0	20,926	251,111	16,741	14.70	11.50
4	Older People's & Adult Integrated Service - Respite weekly charge	Various	153	17,553	Various	10.00%	0	153	19,308	1,755	123.80	123.80
4	Impact of additional bed (see note below)								6,436	6,436	123.80	123.80
										35,335		
	Environment, Regeneration & Resources											
5	Footway Crossovers	665.55	6	3,993.30	755.00	13%		6.00	4,530.00	537	1,500.00	649.00
6	Roads Opening Permit	58.56	21.00	1,229.76	132.00	125%		21.00	2,772.00	1,542	510.00	54.00
7	Emergency TTRO	235.40	13.00	3,060.20	285.00	21%		13.00	3,705.00	645	285.00	187.20
8	5 day TTRO	176.50	29.00	5,118.50	285.00	61%		29.00	8,265.00	3,147	285.00	187.20
9	Planned TTRO (add for advertising)	353.56	20.00	7,071.20	455.00	29%		20.00	9,100.00	2,029	473.00	162.00
10	Charitable Waste Uplift - Increase from 50% to 75% of cost	Various								33,555		
	Increase Burial Grounds charges:											
11	Increase Interment charges Coffins	505.00	245.00	123,725.00	579.70	12%	-	245.00	14,847.00	14,847	842.00	370.00
11	Increase Interment charges Caskets	77.50	199.00	15,422.50	89.00	12%	-	199.00	1,850.70	1,851	266.00	98.00
12	Increase Sale of Coffin Lairs charges	429.00	77.00	33,033.00	480.50	12%	-	77.00	3,963.96	3,964	1120.00	345.00
12	Increase Sale of Casket Lairs charges	216.00	38.00	8,208.00	242.00	12%	-	38.00	988.24	988	558.00	198.00
13	Increase Water SLA									70,000		
14	Planning Search Fees			-				-	-	3,000		
										136,104		
	Education, Communities, OD&HR											
15	School Meals											
	- Primary	1.80	319,192	574,546	1.95	8.33%	0.05	303,232	591,303	16,758	2.00	1.40
	- Secondary	2.40	202,310	485,544	2.60	8.33%	0.05	192,195	499,706	14,162	2.30	1.40
16	Early Years Wrapround	3.60	51,726	186,214	3.90	8.33%	0	51,726	201,731	15,518	4.60	2.23
17	Music Tuition	98.00	124	12,152	106.00	8.16%	0.02	122	12,881	729	150.00	120.00
										47,166		
	Potential Total Increased Income									218,605		

Notes

All charges subject to an annual inflation uplift of 2.5% as part of the budget process. This is over and above the increases set out above.

Hillend is increasing from 3 to 4 beds - therefore increased capacity. Additional income included above reflects increase of 33%

CHARGING WORKSTREAM - POTENTIAL NEW CHARGES

REVISÉ AS AT 18 SEPTEMBER 2014

APPENDIX 2

Ref	Name of Charge	Proposed Charge	Current Activity / Estimated Volume	Estimated Income	Attrition reduction	Estimated Income
	Description of the charge	£ value per unit	Annual Units	£ annual income	% drop off	£ annual income
CHCP Social Work						
A	Weekly charge for community alarms	2.00	119,600	239,200	10%	215,280
B	Charge for Transport to Day Centres (per round trip per day)	1.00	13,000	13,000	10%	11,700
C	Charge for small aids and adaptations; maximum £20 per 12 months.	20.00	500	10,000	10%	9,000
						235,980
Environment, Regeneration & Resources						
D	Winter Maintenance to Private Businesses	50.00	100	5,000		5,000
E	Footway crossover permit	100.00	10	1,000		1,000
F	Traffic Lights permits (3 way or above)	70.00	5	350		350
						6,350
Education, Communities, OD&HR						
G	Musical Instruments	40.00	117	4,680	1%	4,633
H	Charge for Swimming	1.00	130,000	130,000	-	130,000
						134,633
Potential Total Increased Income						376,963.20

[illegible]

Note

All charges will be subject to an annual inflation uplift of 2.5% as part of the budget process