

# Report

Report to:	<b>Executive Committee</b>
Date of Meeting:	<b>6 November 2019</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>Council Charges</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to

- ♦ advise members of charging proposals for the coming year, including consideration of new charges

## 2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendations:-

- (1) that the updated charges reflecting the application of 2.8% inflationary increase be noted;
- (2) that no further changes being proposed for charges that do not currently recover costs be noted;
- (3) that the alignment of Allotment charges to the rates agreed at Community and Enterprise Resources Committee (as detailed at Section 7.2) and the application of Park and Ride charge detailed at sections 7.2 and 7.3 be approved; and
- (4) that the proposal on charging for parking permits that will be presented to Community and Enterprise Resources Committee for approval (as detailed at section 7.4) be noted.

## 3. Background

3.1. In November 2018 the Executive Committee approved a charging policy. A copy of this Charging Policy is available online and an electronic copy was sent to Members.

[https://www.southlanarkshire.gov.uk/downloads/file/12599/charging\\_policy\\_2019-2020](https://www.southlanarkshire.gov.uk/downloads/file/12599/charging_policy_2019-2020) .

The key elements of this policy included:

- ♦ that the council will set charges based on an understanding and knowledge of costs in delivering the service
- ♦ that the council will consider recovering costs through setting charges, but that the Council may chose not to do so.
- ♦ all charges would increase by inflation on an annual basis unless approval is sought not to apply this increase
- ♦ that any recommendations for new or higher than inflation increase in charges would be considered by the Executive Committee

- ◆ concessions form part of the charging policy.

3.2. In the report that approved the Charging Policy last year, 12 areas were identified where the Council did not recover costs. Committee agreed that these areas would be reviewed including considering the costs and charges in these areas. The work undertaken in these areas will be covered later in this report

3.3. This report will provide the annual update in relation to charges. Specifically, this report will cover :

- ◆ updated information on council charges. This includes the impact of an inflationary increase in charges. (section 4)
- ◆ costing information (section 5)
- ◆ information in relation to Benchmarking (section 6)
- ◆ further proposals for Charges (section 7)

#### **4. Council Charges**

4.1. The Council charges for a number of services delivered and some of these charges the Council cannot influence (such as planning and some licencing charges). The Council currently receives around £10.7 million from income that we can influence.

4.2. **Social Care charges** : In relation to charges for non- residential and Residential Social Care services (including Residential Respite), these services are covered by regulation and Cosla guidance and the Council adopts these regulations when setting charges. Whilst these charges still allow some council discretion, there is a separate Charging Policy in relation to these charges which takes into account the specific guidance and therefore it is not proposed to consider those in this report. Any changes to the charges for non-residential and residential social care services would be subject to separate approval through the Social Work Committee (last report on Rates and Charges for Care Services – May 2019) and take into account any updates to the specific guidance and regulation on these areas.

4.3. This report will also not consider income raised by South Lanarkshire Leisure and Culture (SLLC). SLLC raise a further £16 million of income. SLLC is a separate arms-length organisation. In the past changes to Leisure and Cultural Trust charges have been made through the Council's savings proposals. Savings proposals from SLLC will include any proposals to change charges.

4.4. In relation to charges made for services falling under the Housing Revenue Account (HRA), any changes to charges will continue to be considered and approved as part of HRA budgets in consultation with tenants.

4.5. The Charging Policy states that an annual report will be presented to members on Charging, to provide an update on charging and to identify if any additional changes to charges should be made. This will include any proposed changes to concessions offered.

4.6. The charging policy details the charges that are currently made, including those we can influence and those that we cannot.

4.7. **Inflationary Increase to all Charges:** The report on the Charging Policy, agreed at Executive Committee in November 2018, states "every year, each existing charge

will be subject to an inflationary increase". A 2.8% inflationary would be added to all the charges detailed on the charging policy which the Council can influence, excluding parking which is covered at section 4.8.

- 4.8. In relation to **parking charges**, the minimum increase to charges would be 10p per tariff (this is due to the payment machines only accepting charges in 10p bands). A minimum increase of 10p per band would exceed an inflationary level so it is proposed that no change is made to parking charges. Work is ongoing in relation to Parking Demand Management which will also consider charging for parking. Following the outcome of that review, any proposals on increasing charges in parking will be made. Therefore it is not proposed to increase parking charges (including season tickets), parking fines or inspection fees.
- 4.9. A 2.8% increase across all other charges would result in an increase in income of approximately £0.300 million. The concession policy (as detailed in the Charging Policy at section 4) will continue to apply and mitigate some of any additional charge made for those charges where a concession is in place.

## 5. Costing Information

- 5.1. The Charging Policy states that the Council will set charges with an awareness of the cost of delivering the service. As there are a range of factors to be considered when setting charges (such as how charges influence behaviour) the Council may not always look to fully recover costs. The policy also states that when considering charges, the Council will consider the charges that are made by other providers of the same or similar services.
- 5.2. The costs of providing services that we charge for were detailed in the Charging policy report last year. These costs have been reviewed, and the sections below detail where the Council does not currently recover costs when charging (section 5.3).
- 5.3. **Charges where Costs are Not Recovered:** There are 13 main areas where the charge that the Council makes does not recover the costs of delivering that service. These are the same as the areas highlighted in last year's charging report. If charges were to increase for these areas to fully recover costs the level of income that could be generated would be £7.3 million.

**Table 1 – Charges where the Council does not recover cost**

Community and Enterprise Resources	Education Resources	Social Work Resources
Allotments <i>(new charges approved – Comm / Ent committee Jan 2019)</i>	Early Years Charge for non-free hours	Lunch Clubs (Social Care)
Interment Fees	Music Tuition	Community Alarms
Primary School Meals	Playgroup	Adult Day Care (current charge is only for meals)
Secondary School Meals	Privilege Transport (outwith free travel area)	Residential Respite
Special Refuse Uplift		

- 5.4. With the exception of Allotments (see section 7.2 below) it is not proposed to move to full cost recovery on all of these areas. The Charging Policy gives the option not to recover costs, where to do so would impact on the Council's objectives, where others may provide the same service more cheaply, or where demand could be affected. Work will continue over the coming year to review again these charging areas and consider whether these charges should change. Through efficiency exercises, services will continue to look to reduce the costs of all services.

## **6. Benchmarking**

- 6.1 Last year's charging report provided full benchmarking data on council charges. We continue to benchmark with our neighbouring and similar sized councils to inform any further proposals on charging. As with all charges, the concession policy will continue to apply and mitigate some of any additional charge made where a concession is in place. This includes Early Years fees, social care costs and music tuition and Privilege Transport (for pupils entitled to free school meals).

## **7. Further Proposals for Charging**

- 7.1. There are 3 new proposals being made by services in relation to charging for services. Core details of these proposals are included in Appendix 1.
- 7.2. **Allotments** : The Community and Enterprise Committee approved new charging arrangements for Allotments on 22 January 2019. The charges proposed applied to new allotment sites and it was suggested that the proposal to align all allotments charges to the new charging structure would be considered as part of this Charging report. It is now proposed that all leases for allotments pay the agreed new rates which are detailed in Appendix 1a. The maximum increase would be less than £0.70 per week, with the average increase being £0.47 per week.
- 7.3. **Park and Ride**: The Council currently charge for some park and ride car parks in the area. A maximum charge of £1 per day is proposed to be introduced at Park and Ride car parks located at Newton and Carluke. This is an extension of charges already implemented at Hamilton, Hairmyres and Rutherglen. This charge would result in approximately £0.075 million of additional income per annum.
- 7.4. **Parking Permits**: To cover the cost of administering resident parking schemes it is proposed that a charge of £10 per permit is introduced. The charge reflects full cost recovery and at present there are around 5,000 permits which are issued. This charge would result in approximately £0.050 million of additional income (every 2 years).

This proposal is being considered by the Road Safety Forum and the outcome of these consideration will be presented to Community and Enterprise Resources Committee in November for approval.

Current charging rates for other Councils are as follows:

North Lanarkshire Council	£60
Glasgow City Council	£285 for city centre locations and £85 for small zones
Edinburgh Council	£35 to £630, depending on the area and engine size

## **8. Employee Implications**

- 8.1. There are no direct employee implications from this report

## **9. Financial Implications**

- 9.1. Through increasing all charges (excluding parking) by an inflationary increase of 2.8%, around £0.300 million of additional income could be generated. The revised charges for the main charges made by the Council are detailed in Appendix 2
- 9.2. The two proposals for new charges for Park and Ride and Parking Permits (as detailed at section 7) would generate £0.075 million and £0.050 million (every 2 years) respectively. The allotments proposal will generate £0.003 million.

## **10. Other Implications (including Environmental and Risk Issues)**

- 10.1. There are no direct risks associated with the proposals in this report. The environmental impacts of the proposals in this report have been considered and in relation to the charges for permits and for Allotments, there is no change to service delivery and it is not expected that the charges will have any environmental impact.
- 10.2. The proposal around Park and Ride suggests the introduction of a minimal charge which is not expected to discourage the use of these facilities. We are already charging for other park and ride locations. The Council is also investing in delivering a wider Park and Ride strategy across the Council.

## **11. Equality Impact Assessment and Consultation Arrangements**

- 11.1. Equality Impact Assessments (EQIAs) are carried out in relation to the proposals on charging as part of the Council's savings exercise. EQIAs in relation to the proposals in this paper are available from the Employee Development and Diversity Manager, Finance and Corporate Resources.
- 11.2. Also, as part of the Council Budget, an assessment is completed to meet the Council's Fairer Scotland duty. The Duty is set at a strategic level and is applicable to the key, high level decisions that the public sector take. The assessment in relation to the budget is available to Members from the Employee Development and Diversity Manager, Finance and Corporate Resources.

**Paul Manning**

**Executive Director (Finance and Corporate Resources)**

24 October 2019

## **Link(s) to Council Values/Ambitions/Objectives**

- ♦ Accountable, effective, efficient and transparent

## **Previous References**

- ♦ Executive Committee Council Charging Policy and Proposals 21 November 2018

## **List of Background Papers**

- ♦ None

**Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

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## Appendix 1a: Alignment of Allotment charges

Charging Area		Alignment of Allotment Charges		
Core Facts				
Community and Enterprise Resources Committee approved a new charging structure for Allotments in January 2019. The new rates are detailed below.				
Allotment Type	Per m2	50m2	100m2	250m2
Fully Serviced	£0.60	£30.00	£60.00	£150.00
Part Serviced	£0.45	£22.50	£45.00	£112.50
Unserviced	£0.30	£15.00	£30.00	£75.00
Allotment Type (concession)	Per m2	50m2	100m2	250m2
Fully Serviced	£0.45	£22.50	£45.00	£112.50
Part Serviced	£0.34	£16.88	£33.75	£84.38
Unserviced	£0.23	£11.25	£22.50	£56.25
Costing of Current Service Delivery				
The overall cost of providing the Allotment service is around £0.007m. Currently the income generated from allotments does not cover costs. Moving to an aligned charge for all Allotments would look to recover costs for the service.				
Benchmarking				
Benchmarking for this service is difficult as there is a variety of charging policies across local authorities where some charge.				
Proposal				
It is proposed that all Allotment leases are now charged at the approved rates. There are currently 120 allotments where charges would change. There are detailed below. These charges would be applicable from April 2020.				

Allers	Numbers	Charge movement
100m2 plot	28	£28.20 to £60
50m2 Plot	18	£14.43 to £30
100m2 concession	37	£18.25 to £45
50 m2 concession	19	£8.97 to £22.50

Richmond	Numbers	Charge movement
100m2 plot	12	£8.66 to £45
50m2 Plot	2	£4.33 to £22.50
100m2 concession	2	£8.66 to £33.75
50 m2 concession	2	£4.33 to £16.88

## Appendix 1b: Park and Ride Car Parks

Charging Area	Park & Ride Car Parks
<b>Core Facts</b>	
<p>A maximum charge of £1 per day will be introduced at Park and Ride car parks located at Newton and Carluke. This is an extension of charges already implemented at Hamilton, Hairmyres and Rutherglen.</p>	
<b>Costing of Current Service Delivery</b>	
<p>The overall cost of the parking service is £0.760m. Not possible to separately identify specific costs of park and ride car parks.</p> <p>There is currently no subsidy provided by the council for the overall parking service.</p>	
<b>Benchmarking</b>	
<p>Benchmarking for this service is difficult as there is a variety of charging policies across local authorities where some charge, some don't and others charge and customers can be reimbursed by the train operator.</p> <p>Even within individual council's some park and ride car parks are free where others there is a fee for parking.</p>	
<b>Proposal</b>	
<p>A maximum charge of £1 per day will be introduced to locations including Newton and Carluke. Charges are already in place at Hamilton, Hairmyres and Rutherglen.</p>	



## Appendix 1c: Residents Parking Permits

Charging Area	Residents Parking Permits
<b>Core Facts</b>	
<p>The requirement for Residents' Parking Permit Zones (RPPZs) in significant areas of East Kilbride, Hamilton and Rutherglen, and also smaller areas in Carluke and Cambuslang followed the introduction of the Car Parking Charter in 1997. Currently in all areas an initial number of permits are issued free of charge, though in some areas additional permits may incur a charge of £35. It is known, however, that the majority of permits are currently free.</p> <p>At the Community and Enterprise Resource Committee of 21 August 2018, the commencement of a review of the current (RPPZs) policy was approved. It was agreed that the Road Safety Forum would oversee the review and make recommendations to Committee based upon its conclusions.</p> <p>As part of the review, given increasing financial pressures and potential to expand / introduce new RPPZs, the Forum was presented with a range of options and asked to consider whether charging a small fee for all permits, which, at the very least, covers the administrative costs associated with issuing permits, was appropriate.</p> <p>Upon completion of the review the Forum propose to recommend a charge £10 per parking permit over a period of two years. This would generate income of £50,000 over two years.</p>	
<b>Costing of Current Service Delivery</b>	
<p>The cost of issuing permits is approximately £50,000.</p>	
<b>Benchmarking</b>	
<p>North Lanarkshire charge £60 for a single permit, increasing by £30 a time for additional ones up to a maximum of four, the forth one costing £180.</p> <p>Edinburgh charges vary from £35 to £630, depending on location and engine size.</p> <p>Glasgow charges vary from £85 to £285, depending on location.</p> <p>All of these charges are per annum.</p>	
<b>Proposal</b>	
<p>Proposal is to charge £10 per permit, which will remain valid for two years.</p> <p>The income from permits will be £50,000 every 2 years.</p> <p>This proposal will be presented to C&amp;E Resources Committee on 12 November 2019.</p>	

## Appendix 2 : Charges after inflationary increase

Charge area	Current Charge £	New Charge including Inflationary Increase (2.8%) £
<b>Community and Enterprise Resources</b>		
<b>Allotments/ Raised Beds</b> – Various <i>(20/21 pricing reflect revised harmonised charges)</i>	3.75-150	3.86-154.20
<b>Interment Fees</b> - Adult Resident (income received includes premiums for weekends and income for Lairs)	867.26	891.54
<b>Adult Cremation</b> <i>(income received includes all crematoria income. 20/21 prices reflect introduction of 2 new services, 15/30 min Cremation Service)</i>	391.89 - 635.90	402.86 - 653.71
<b>Primary School Meals</b>	1.70	1.75
<b>Secondary School Meals</b>	1.70	1.75
<b>Taxi Compliance test</b> (with and without meter)	65.50/75.80	67.33/77.92
<b>Ground Clearing</b>	Various*	Various*
<b>Care of Gardens</b>	325.96-418.29	335.09-430.00
<b>Special Refuse Uplift</b> - first uplift free Potential Income relates to moving to all uplifts charged (includes small levels of income for commercial fridge uplifts where costs are recovered)	30.90	31.76
<b>Bins</b> (data is for standard bin - income includes some income for larger / smaller bins, and sacks)	49.91	51.31
<b>Pest Control</b> - rats / mice / wasps /bees (data is for contracted service- income includes non-contract works charged at cost plus 10%)	48.77	50.14
<b>Other Environmental Charges</b> (includes animal welfare/ petroleum/ firework licences, multi occupancy fees, and export certificates all charged above cost)	Range 6 to 3,288.73	Range 6.17 to 3,380.81

Charge area	Current Charge £	New Charge including Inflationary Increase (2.8%) £
<b>Parking Charges</b> (not fines) (Number of hours calculated to reflect income collected at 0.80 per hour (0.67 excluding VAT) - rates paid will vary depending on time in car park)	0.67	No change proposed
<b>Parking Season tickets</b> (£363 excluding VAT)	363.00	No change proposed
<b>Lighting Works</b>	Cost plus overhead	Cost plus overhead
<b>Temporary Traffic Regulation Orders</b>	824.00	847.07
<b>Education Resources</b>		
<b>Early Years</b> (charge for non-free hours)	3.20	3.29
<b>Music Tuition</b>	7.20	7.40
<b>Playgroup</b>	0.80	0.82
<b>Privilege Transport</b>	1.05	1.08
<b>Finance and Corporate Resources</b>		
<b>Private Hire Individual New and renewals / Vehicle and transfer</b> (includes additional route tests)	154 / 392	158 / 403
<b>Taxis</b> (income includes new licence, first and additional route test)	400.00	411.20
<b>Charges for Legal Work</b> (List available - all charges are higher than unit cost)	various	various
<b>Marriages</b>	52 / 361	53.46 / 371.10
<b>Other Licencing and registration charges</b> (List available- all charges at cost)	various	various

Charge area	Current Charge £	New Charge including Inflationary Increase (2.8%) £
<b>Social Work Resources</b>		
<b>Lunch Clubs</b>	3.00	3.08
<b>Community Alarms</b> (units are per for year- 5640 per week)	1.59	1.63
<b>Adult Day Care Meals</b>	2.00	2.06
<b>Residential Respite - Council Provision - Charges agreed at SW Committee May 2019</b> Charge is for Over 65s / Under 65s (note that charge is currently set based on minimum benefits less personal allowance)	19.93 / 12.06	<i>Will be considered through Charging paper to SW committee in 2020 (see section 4.2)</i>
<b>Total</b>		

**\*Each job priced based on individual circumstances to recover cost**