

PERTH AND KINROSS COUNCIL

Scrutiny Committee - 20 April 2016

**IMPLEMENTATION OF RECOMMENDATIONS FROM THE FIFTH SCRUTINY
REVIEW CHARGING FOR COUNCIL SERVICES****Report by the Depute Chief Executive
(Sustainability, Strategic and Entrepreneurial Development)**

This report provides an outline of the Fifth Scrutiny review (Charging for Council Services) and provides an update on the implementation of the recommendations which were detailed in the final report of 28 January 2015.

1. BACKGROUND/MAIN ISSUES

- 1.1 The Scrutiny Committee's decision to select "Charging for Council Services" as the area for the Fifth Scrutiny review, followed publication of [Audit Scotland's Charging for Services Report in 2013](#) which highlighted the importance of local authority charging.
- 1.2 The purpose of the review was to examine the issues highlighted within Audit Scotland's report, by working together with officers and elected members to explore best practice and opportunities for improvement.
- 1.3 The review's terms of reference were agreed as part of the scoping report which was presented to Scrutiny Committee on 11 June 2014, (Report No 14/262) and are detailed in Appendix 1 to this report. They formed the basis for how the review was undertaken and ultimately the recommendations which were detailed in the Final Report, which was presented to the Scrutiny Committee on 11 February 2015 (Report No 15/65).
- 1.4 This report follows the request from the Scrutiny Committee for a progress update on the implementation of the Final Report recommendations, after one year.

2. PROPOSALS

- 2.1 The recommendations from the review and the associated actions taken by the Council corporately, and Services individually, are detailed in Appendix 2 to this report.
- 2.2 The evidence of implementation by services is contained in:
 - 1) [The Corporate Charging Policy Report to SP&R Committee of 23 September 2015 Report No 15/401](#)
 - 2) [Review of Charges 2016/17 report to Lifelong Learning Committee of 27 January 2016](#)

- 3) [Housing Revenue Account \(HRA\) Strategic Financial Plan incorporating the 5 Year Capital Investment Programme and Rent Strategy to 2020/21, Reserves Strategy and other Housing Charges for 2016/17](#)
- 4) [Community Care Annual Scheme of Charges No 16/25 – 27 January 2016](#)
- 5) [The Environment Committee on 20 January 2016. Report No 16/13](#)
- 6) [The Enterprise and Infrastructure Committee Report No 16/05](#)
- 7) [Review of Civic Government Licence fees – 18 February 2016, Report 16/63](#)
- 8) [Review of Civic Government Licence fees – 31 March 2016, Report 16/160](#)
- 9) PKC Committee Services webpages: www.pkc.gov.uk/committee

2.3 Many of the charges levied for services provided by the Council are statutorily based and therefore cannot be altered (e.g planning fees). The recommendations in the report therefore relate to discretionary charges only and, in most cases, they have been fulfilled. However in view of the breadth and depth of work necessary, Services have found challenges in completing two of the recommendations across all charges, within the 12 month timescale: This applies to the following recommendations:

2.4 **Recommendation vii** – ‘Services should monitor the impact of Service charging and report information annually to the relevant themed Committee.’

- Robust impact reviews of charging for services take significant staff resources. Therefore these reviews have to be factored into the available capacity of the organisation, with the overall reduced levels of resources available, and balanced with the other pressures on frontline service delivery.
- Each Service is implementing a rolling programme of impact assessments for their chargeable services. This ensures that this work can be undertaken robustly, and in a manner which ensures that the recommendation’s aim is achieved, without impacting on services disproportionately, in terms of their other workload. This rolling programme is detailed in Appendix 3.

Recommendation ix – ‘Reports to Committee on Service Charges are explicit about consultation which has taken place with Service Users and include benchmarking information, where available.’

- Services have undertaken benchmarking with other Councils where this information has been readily available through existing benchmarking arrangements (such as the Local Government Benchmarking Framework). Undertaking this activity across the full range of chargeable services will be carried out as part of the rolling programme of reviews detailed in Appendix 3.

- Similarly, although some work has been undertaken to consult service users, to date it does not cover all charging activities. Services will undertake this activity across the range of chargeable services, again through the annual rolling programme of reviews.

3. CONCLUSIONS AND RECOMMENDATIONS

- 3.1 The work of the Scrutiny Committee assists Council Services in ensuring that we consistently provide high quality services, which deliver Best Value.
- 3.2 The Fifth Scrutiny Review covered, amongst other things; clarity of approach across Council Services, openness of policy, linkages with corporate outcomes and securing Best Value. In most cases the recommendations have been fulfilled, and a pragmatic review – based approach is suggested for those recommendations which are more resource intensive. A further update report on the implementation of these recommendations (iiv and ix) will be provided in 6 months.
- 3.3 It is recommended that the Committee:
- (a) Notes the work undertaken within Services to implement the recommendations in the Fifth Scrutiny Review.
 - (b) Notes the rolling programme of reviews to be undertaken as detailed in Appendix 3.

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	Yes
Corporate Plan	Yes
Resource Implications	
Financial	None
Workforce	None
Asset Management (land, property, IST)	None
Assessments	
Equality Impact Assessment	None
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	None
Legal and Governance	None
Risk	Yes
Consultation	
Internal	Yes
External	None
Communication	
Communications Plan	Yes

1 Strategic Implications

Community Plan/Single Outcome Agreement

- 1.1 The proposals relate to the delivery of the Perth and Kinross Community Plan/Single Outcome Agreement in terms of the following priorities:

- (i) Giving every child the best start in life
- (ii) Developing educated, responsible and informed citizens
- (iii) Promoting a prosperous, inclusive and sustainable economy
- (iv) Supporting people to lead independent, health and active lives
- (v) Creating a safe and sustainable place for future generations

Corporate Plan

- 1.2 The Council's Corporate Plan 2013 – 2018 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (i) Creating a safe and sustainable place for future generations.

- 1.3 The report relates to all of these objectives.

2. Resource Implications

Financial

- 2.1 There are no direct financial implications arising from this report.

Workforce

- 2.2 The capacity required to carry out robust reviews of service charges has to be balanced with other demands and service delivery priorities. This is reflected in the proposals in the report.

Asset Management (land, property, IT)

- 2.3 There are no direct asset management implications arising from this report.

3. Assessments

Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.
- 3.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as not relevant for the purposes of EqIA.

Strategic Environmental Assessment

- 3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.4 The proposals within this report have been considered under the terms of the act and no further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

Sustainability

- 3.5 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.

- 3.6 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

4. Consultation

Internal

- 4.1 The Head of Finance, Head of Legal and Governance Services, Service Directors and Financial Controllers were consulted in the preparation of this report.

External

- 4.2 Not applicable.

5. Communication

- 5.1 Not applicable

2. BACKGROUND PAPERS

- 2.1 The background papers referred to within the report are:

1. [Audit Scotland's Charging for Services Report](#)
2. [Fifth Scrutiny Review Charging for Council Services 2014](#)
3. [The Corporate Charging Policy Report to SP&R Committee of 23 September 2015 Report No 15/401](#)
4. [Review of Charges 2016/17 report to Lifelong Learning Committee of 27 January 2016](#)
5. [Housing Revenue Account \(HRA\) Strategic Financial Plan incorporating the 5 Year Capital Investment Programme and Rent Strategy to 2020/21, Reserves Strategy and other Housing Charges for 2016/17](#)
6. [Community Care Annual Scheme of Charges No 16/25 – 27 January](#)
7. [The Environment Committee on 20 January 2016. Report No 16/13](#)
8. [The Enterprise and Infrastructure Committee Report No 16/05](#)
9. [Review of Civic Government Licence fees – 18 February 2016, Report 16/63](#)
10. [Review of Civic Government Licence fees – 31 March 2016, Report 16/160](#)
11. PKC Committee Services webpages: www.pkc.gov.uk/committee

3. APPENDICES

- 3.1 Appendix 1 – Objectives for the Fifth Scrutiny Review
- 3.2 Appendix 2 - Recommendations from the Fifth Scrutiny Review and Actions taken
- 3.3 Appendix 3- Proposed schedule of reviews to be undertaken with respect to chargeable services

Fifth Scrutiny Review – Terms of Reference (extract)

3.1 OBJECTIVES

3.1.1 To examine the issues highlighted within Audit Scotland's report on charging by working together with officers and elected members to consider best practice and explore opportunities for improvement. Key areas of interest were:

- Conduct a self-assessment of the Council's current practice in charging for Services against the cycle for managing charges contained in [Audit Scotland's Charging for Services Report](#);
- Undertake a mapping exercise of the Services that the Council has discretion to charge for and the Services it is currently charging for;
- Work with elected members and Council officers to examine the effectiveness of the Council's current Corporate Charging Policy; and
- Explore best practice in terms of clarity and transparency of charging for Services and to identify opportunities for improvement and benchmarking.

3.2 SCOPE

3.2.1 The review included all discretionary charges. The review did not cover statutory charges (charges set by outside bodies e.g. General Registrar of Scotland), council tax, non-domestic rates, grants or methods of paying for charges.

3.3 METHODOLOGY

3.3.1 The Scrutiny Committee followed the scrutiny review methodology as set out in the Guide to Scrutiny at Perth and Kinross Council. As part of our investigation we gathered evidence in a number of ways: we conducted a desk top analysis of available information; we gathered evidence from Service Financial Controllers and Service Managers; and we conducted a survey with elected members. We also researched what is happening in other local authorities, both nationally and internationally, to identify any learning points and good practice.

3.3.2 Our research has helped build a picture of the present position in terms of how the Council currently manages charging for Services. This report considers what issues exist and examines any barriers to more effective working. We have also highlighted areas of good practice which provide important learning points that are transferable across all Council Services.

3.3.3 Towards the end of the review, we brought together the Service Financial Controllers to discuss our key findings and the Committee's proposals. These have also been discussed with the Head of Legal Services and Head of Democratic Services.

Recommendations from the Fifth Scrutiny Review				
No.	Recommendation	Comment	RAG	Future Actions
i	The Corporate Charging Policy is revised to serve as an overarching document, providing a clear link between Corporate Objectives and Service Charging policies	Corporate Charging Policy references the Council's Corporate Objectives and was reported to SP&R 23/9 report number 15/401 .	G	Status to be maintained for future years
ii	Council Services should ensure clear charging policies are in place across all key chargeable Council areas.	<p>Services have clear charging policies which have been submitted to themed committees as follows:</p> <ul style="list-style-type: none"> • The Environment Committee on 20 January 2016, Report No 16/13, The Enterprise and Infrastructure Committee Report No 16/05 • Housing Revenue Account (HRA) Strategic Financial Plan incorporating the 5 Year Capital Investment Programme and Rent Strategy to 2020/21, Reserves Strategy and other Housing Charges for 2016/17 No 16/28 – 27 January 2016 • Community Care Annual Scheme of Charges No 16/25 – 27 January • Review of Charges 2016/17 report to Lifelong Learning Committee No 16/19 - 27 January 2016 • Review of Civic Government Licence fees – 18 February 2016, Report 16/63, Review of Civic Government Licence fees – 31 March 2016, Report 16/160 <p>The full scheme of Charges for CDS cannot be submitted for approval until information is received from the Registrar General regarding their fees. The fees for 15/16 were approved at SP&R on 17 June 2015 Report 15/250</p>	G	Status to be maintained for future years

No.	Recommendation	Comment	RAG	Future Actions
iii	Committee reports related to charging should refer to the Corporate Charging Policy and relevant Service Charging Policy	<ul style="list-style-type: none"> • The Environment Committee on 20 January 2016, Report No 16/13, The Enterprise and Infrastructure Committee Report No 16/05, refers to the Corporate Charging Policy • Housing Revenue Account (HRA) Strategic Financial Plan incorporating the 5 Year Capital Investment Programme and Rent Strategy to 2020/21, Reserves Strategy and other Housing Charges for 2016/17 No 16/28 – 27 January 2016, seeks to implement the Corporate Charging Policy for example with reference to levying charges based on cost recovery • Community Care Annual Scheme of Charges No 16/25 – 27 January, refers to the corporate charging policy as background document • Review of Charges 2016/17 report to Lifelong Learning Committee No 16/19 - 27 January 2016, refers to the Corporate charging policy • Review of Civic Government Licence fees – 18 February 2016, Report 16/63, Review of Civic Government Licence fees – 31 March 2016, Report 16/160. Both reports refer to the Corporate charging policy 	G	Status to be maintained for future years
iv	The Council's charging policies should be published online to provide a transparent charging policy framework accessible to members of the public	Corporate and Service charging policies are reported to themed committees and are uploaded to the Council's website routinely. Please see the linked documents above.	G	Status to be maintained for future years

No.	Recommendation	Comment	RAG	Future Actions
v	The Council's Charging Policy framework should include arrangements for the examination of charges as part of the contract monitoring and reporting arrangements for ALEOs	<p>ALEOs operate as independent bodies, albeit wholly owned by the Council, and this independence allows these organisations to set their own charging policies. The Service Level Agreements between the Council and the ALEOs set out broad requirements for each ALEO to ensure their charging policies support the wider participation and inclusion priorities of the Council.</p> <p>Additionally, the Scrutiny Committee can consider charges levied by ALEOs as part of the Committee's wider role in scrutinising the activities and services delivered by ALEOS. In this regard both Live Active Leisure and Horsecross have recently presented on their activities, to the Scrutiny Committee in the past four months.</p>	G	Status to be maintained for future years
vi	The requirement within the current financial regulations for Services to submit a revised scheme of charges annually to the relevant themed committee(s) should be enforced	<p>Each Service has submitted their revised scheme(s) of charges to the relevant themed committee within 2015/16.</p> <p>All services, with the exception of CDS, have had their scheme of charges approved; please see the hyperlinked documents detailed in recommendation ii above. The CDS Scheme of Charges will be submitted once sufficient information has been received from the Registrar General to complete the proposed revised scheme. Nonetheless the Civic Licence fees were considered at the Licencing Committee on 31 March, Report No XX/XX</p>	G	Status to be maintained for future years

No.	Recommendation	Comment	RAG	Future Actions
vii	Services should monitor the impact of Service charging and report information annually to the relevant themed Committee	Due to the volume of work necessary to undertake this exercise fully, it has not been possible for services to carry out an impact assessment in relation to all of the charges which are levied.	A	Proposed that Services carry out impact assessments with reference to service charging while undertaking the "Rolling Review of Service Charges" as set out Appendix 3.
viii	Each Service should consider adopting a rolling programme approach to conducting strategic reviews of Council charging schemes to provide an in-depth examination of service charges	A rolling programme of reviews of Service Charges is detailed in Appendix 3	G	Services to undertake the rolling programme of strategic reviews as set out in Appendix 3
ix	Reports to Committee on Service Charges are explicit about consultation which has taken place with Service Users and include benchmarking information, where available	<p>Services have undertaken benchmarking with other Council's where this information has been readily available. The Review of Charges 2016/17 report to Lifelong Learning Committee 27 January 2016 explained the benchmarking exercise which has been undertaken in preparation for the report.</p> <p>Due to demands on capacity, it has not been possible to undertaken this activity across the full range of chargeable services.</p> <p>Some work has been undertaken to consult service users but not across the full range of chargeable services – again due to capacity issues.</p> <p>Consultation and benchmarking will be captured as part of the rolling programme of reviews, set out in Appendix 3</p>	A	Proposed that Services undertake robust benchmarking and consultation exercises while undertaking the "Rolling Review of Service Charges" as set out Appendix 3.

No.	Recommendation	Comment	RAG	Future Actions
x	Charging information is available online and linked together in one place	Each service's scheme of charges can be accessed easily from the following page: http://www.pkc.gov.uk/charges	G	Webpage to be updated following publication of Committee reports relating to each Service's scheme of charges

Rolling Review of Service Charges	2015/16	2016/17	2017/18
Parking for Perth (TES)	Report due on 16 th June 2016 to E&I Committee		
Instrumental Music Services (ECS)			
Council House Rents (HCC)			
Charging for Adult Social Care (HCC)			
Out of School Kids Clubs (ECS)			
Campus Charges (ECS)			
Crematoria and Burials (TES)			
Community Greenspace Football Pitches, parks events and facilities (TES)			

