

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Corporate Services

Audit and Performance Review Committee: 12 March 2014

Subject: Audit Scotland Report: *Charging for Services: are you getting it right?*

1. Purpose

- 1.1** The report is to provide Members with information regarding a report recently published by Audit Scotland.
- 1.2** The Audit Scotland report provides set of key messages for councils to consider.

2. Recommendations

- 2.1** Members are asked to note the report, the set of key messages detailed in the report as described at 4.2 below and that a review of sales, fees and charges has recently commenced within West Dunbartonshire and a report will be provided to a future meeting of the Council for consideration.

3. Background

- 3.1** The Accounts Commission and Audit Scotland are interested in the development of best value and how councils manage resources. The attached report from Audit Scotland is the latest in a series of reports under the “how councils work” series and provides councils with information which may be helpful in considering whether best value is being achieved.
- 3.2** Charging is an important aspect of funding of Council services and has become more important in recent years as Council Tax levels have been frozen.

4. Main Issues

- 4.1** The report identifies a number of key messages for councils when considering setting charges:
 - Councils should have clear policies in place for charges and concessions. They should regularly review charges to ensure that they are appropriate and meet their intended objectives;
 - Councillors should take a lead role in determining charging policies. They should be involved and consulted over the design of charges and Concessions;
 - Charges can be used to influence behaviour to help meet councils'

objectives. They should not be seen solely as a means to generate income;

- Councils should improve their use of cost information, including unit costs. This is essential for councils to design charges and understand the extent to which they will recover costs;
- Charges for services vary markedly between councils, reflecting local circumstances and policy priorities. This may be appropriate but councils should be aware of any significant differences in their charges. They should be transparent in how they set charges and be able to explain their charging decisions to the public;
- Councils should consider charging as part of their overall financial management. Councils should understand the contribution that charges make to their overall financial position, and the extent to which individual services are subsidised. This can help councils to target subsidy to priority areas; and
- Many factors must be taken into account when designing charges. To assist in this, councils should follow the good practice set out in this report. This includes identifying charging options, assessing their impact on services and the people that use them, and making comparisons with other providers.

4.3 The Council last undertook a full review of charges in 2009 and since then charges have generally been uprated by an agreed inflationary factor each financial year.

4.4 Officers have recently commenced a full review of charges and this review will seek to follow the best practice guidance which this report provides.

5. People Implications

5.1 There are no personnel issues.

6. Financial Implications

6.1 There are no direct financial implications arising from this report.

7. Risk Analysis

7.1 The report from the Audit Scotland allows members to consider the issues and recommendations which are identified above. The risk is that current and future charges are set without having considered the range of issues highlighted in the Audit Scotland report and may produce unexpected outcomes, for example a reduction of overall income if charges are set at a level that is higher than people are willing to pay (where residents have a choice of where to access services). The recently started review will seek to mitigate against such risks.

8. Equalities Impact Assessment (EIA)

8.1 There are no issues.

9. Consultation

9.1 This report has been subject to a check by Legal, Democratic & Regulatory Services.

10. Strategic Assessment

10.1 This report relates to delivering Fit for Purpose Services as the main thrust of the report considers how best to prepare and support Elected Members to undertake their role in the decision making of the Council.

Angela Wilson
Executive Director of Corporate Services
Date: 20/02/2014

Person to Contact: Stephen West, Head of Finance and Resources, Council Offices, Garshake Road, Dumbarton. Telephone 01389 737191, Email: stephen.west@west-dunbarton.gov.uk

Appendix: Audit Scotland Report: *Charging for Services: are you getting it right?*

Background Papers: None

Wards Affected: All wards affected.