

FOR PUBLICATION

OVERVIEW AND PERFORMANCE SCRUTINY FORUM REPORT ON CONCESSIONS ON FEES AND CHARGES

MEETING: CABINET

DATE: 12 JANUARY 2016

REPORT BY: COMMITTEE AND SCRUTINY CO-ORDINATOR

WARD: ALL

COMMUNITY ASSEMBLY: ALL

KEY DECISION REFERENCE (IF APPLICABLE): FORWARD PLAN ENTRY REF:
NON-KEY DECISION NO: 50

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BACKGROUND PAPERS FOR PUBLIC REPORTS: None

TITLE:

LOCATION:

1.0 PURPOSE OF REPORT

- 1.1 To present for consideration by Cabinet the report and recommendations of the Overview and Performance Scrutiny Forum on the council's approach to offering concessions on fees and charges
- 1.2 To provide the statutory written notice that must be given by the Overview and Performance Scrutiny Forum to Cabinet to take required action as at 3.3 below.

2.0 RECOMMENDATIONS

2.1 The project group makes the overarching recommendation:

That concessions made on fees and charges should be used as part of a dynamic and agile pricing approach for services, where the overall objective is that total costs are covered.

2.2 That the concession on bulky waste and pest control services be reduced from 50% to 20%.

- This would bring the concession into line with the concessions offered by leisure services (average 16% concession) and by theatres (between 10 – 20% concession), and thereby help to make these services more financially sustainable.

2.3 That the cost of providing concessions along with the provision of less popular or costly services should be supported by higher demand and popular services, along with revenue generated from services paid for at the full rate.

2.4 That Leisure Services and Theatres should continue to have the freedom to vary the rate of concessions offered to manage demand. The project groups notes with approval the approach taken by these services to offering concessions and their focus on the overall cost of providing all services.

2.5 That services should establish the unit cost of providing a service before setting a price. The costing of services should include all possible applicable costs, both fixed and variable involved in delivering a service such as buildings, staff, materials and IT.

2.6 That where appropriate, services should only advertise that concessions are available rather than listing all concessionary categories at the point of a service being enquired about. Also, that those services should only grant concessions after entitlement of eligibility has been confirmed.

2.7 That the concessionary categories for all services should be updated to include the categories of:

I. Universal credit, with no earned income

II. Universal Credit with a housing element included

to reflect the changes to benefit delivery created by the introduction of Universal Credit.

- 2.8 That the Sports and Leisure Manager should review the published list of categories giving entitlement to concessionary rates so that the list is shorter, clearer and easier to understand by service users.
- 2.9 That concessions should not be offered on the basis of being aged 60 or over. The project group notes that in the current climate of local government cuts, this category of concession is neither sustainable nor fair. Anyone who is financially disadvantaged who is 60 or over would still receive a concession based on one of the other concessionary categories.
- 2.10 That a member and officer working group be established to develop a corporate policy on concessions.
- To produce a corporate policy on concessions that managers should use when setting concessionary rates for their services so that a corporate approach is taken when setting concessions
 - A corporate policy on the application of concessions would ensure greater consistency and fairness in the application of discounts, and greater transparency on the extent to which service costs are covered by the charges.
 - That a corporate policy on concessions on fees and charges includes all the recommendations made by the project group.
 - That the members of the scrutiny project group on concessions on fees and charges be included in the member and officer working group.

3.0 BACKGROUND

- 3.1 The Overview and Performance Scrutiny Forum agreed that a Scrutiny Project Group be appointed to look into the way that concessions on fees and charges are offered by Chesterfield Borough Council services
- 3.2 Further information and background detail are contained within the Scrutiny Review Group's report attached at Appendix 1 which provides the purpose of the review and its findings.
- 3.3 Statutory Scrutiny Committees are also required to provide written statutory notice to Cabinet requiring action in response to its scrutiny report and recommendations. These actions require Cabinet to:
- (i) consider the attached report and recommendations;
 - (ii) indicate the actions it proposes to take if any; and

(iii) publish its response within 2 months of the receipt of the report.

With regard to (i) and (ii) above the Council's Constitution provides for Cabinet to consider the report at the earliest practicable opportunity.

4.0 SCRUTINY PROJECT GROUP REPORT

4.1 The report of the Scrutiny Project Group was considered and its recommendations approved by the Overview and Performance Scrutiny Forum on 8 December, 2015 (Appendix A).

5.0 RISK CONSIDERATIONS

5.1 There are no risk considerations arising from the recommendations in this report.

6.0 FINANCIAL CONSIDERATIONS

6.1 Action on recommendations in this report should be contained within existing budgets.

6.2 There is the potential that in the future that the recommendations could result in both positive and negative financial implications for service areas.

6.3 At this point it is hard to quantify the financial implications of the recommendations so there it is important that there should be active monitoring of the subsequent financial implications of the recommendations.

7.0 LEGAL CONSIDERATIONS

7.1 There are no legal considerations arising from the recommendations in this report.

8.0 EQUALITIES CONSIDERATIONS

8.1 There could be equalities considerations arising from the recommendations in this report.

9.0 HUMAN RESOURCES CONSIDERATIONS

9.1 There are no human resourcing considerations arising from the recommendations in this report.

10.0 RECOMMENDATIONS

10.1 That Cabinet consider the recommendations of the Overview and Performance Scrutiny Forum as set out below:

- 10.2 That the concession on bulky waste and pest control services be reduced from 50% to 20%.
- This would bring the concession into line with the concessions offered by leisure services (average 16% concession) and by theatres (between 10 – 20% concession), and thereby help to make these services more financially sustainable.
- 10.3 That the cost of providing concessions along with the provision of less popular or costly services should be supported by higher demand and popular services, along with revenue generated from services paid for at the full rate.
- 10.4 That Leisure Services and Theatres should continue to have the freedom to vary the rate of concessions offered to manage demand. The project groups notes with approval the approach taken by these services to offering concessions and their focus on the overall cost of providing all services.
- 10.5 That services should establish the unit cost of providing a service before setting a price. The costing of services should include all possible applicable costs, both fixed and variable involved in delivering a service such as buildings, staff, materials and IT.
- 10.6 That where appropriate, services should only advertise that concessions are available rather than listing all concessionary categories at the point of a service being enquired about. Also, that those services should only grant concessions after entitlement of eligibility has been confirmed.
- 10.7 That the concessionary categories for all services should be updated to include the categories of:
- I. Universal credit, with no earned income
 - II. Universal Credit with a housing element included
- to reflect the changes to benefit delivery created by the introduction of Universal Credit.
- 10.8 That the Sports and Leisure Manager should review the published list of categories giving entitlement to concessionary rates so that the list is shorter, clearer and easier to understand by service users.
- 10.9 That concessions should not be offered on the basis of being aged 60 or over. The project group notes that in the current climate of local

government cuts, this category of concession is neither sustainable nor fair. Anyone who is financially disadvantaged who is 60 or over would still receive a concession based on one of the other concessionary categories.

10.10 That a member and officer working group be established to develop a corporate policy on concessions.

- To produce a corporate policy on concessions that managers should use when setting concessionary rates for their services so that a corporate approach is taken when setting concessions
- A corporate policy on the application of concessions would ensure greater consistency and fairness in the application of discounts, and greater transparency on the extent to which service costs are covered by the charges.
- That a corporate policy on concessions on fees and charges includes all the recommendations made by the project group.
- That the members of the scrutiny project group on concessions on fees and charges be included in the member and officer working group.

11.0 REASON FOR RECOMMENDATIONS

11.1 To provide a more coherent approach to offering concessions made on fees and charges.

11.2 That the approach to offering concessions on fees and charges should be informed by equalities considerations as well with consideration to the costs involved in providing the service and any subsequent concessions.

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You can get more information about this report from Martin Elliott (Tel. 01246 345236).