



St Albans
City & District Council



St Albans

Charging for council services



Report of the Overview and Scrutiny (Internal Performance) Task and Finish Group

City & District Council

Contents

Introduction	2
Recommendations of the Task Group.....	3
Evidence and deliberations	4
1 Context for charging in SADC and other local authorities	4
1.1 Charging in SADC	6
1.1.1 SADC’s current charges	6
1.1.2 Services where costs are not covered <i>or</i> where income is generated.....	8
1.1.3 Areas where it is reasonable to charge but SADC does not.....	10
1.1.4 Facilities/services that don’t exist but could if we charged	10
1.1.5 Income from SADC owned properties	11
2 Charging in SADC – Task Group views	12
3 Principles	13
Appendix	16
3.1 Selected external research on charging for council services	16
3.1.1 Audit Commission - Positively Charged report	16
3.1.2 BDO research.....	18
3.1.3 Other external research on charging	18
3.2 Public attitudes to local authority charging	19

Introduction

- This document presents work carried out in late Summer/early Autumn 2010 by the Charging Task and Finish Group (the Task Group), a Review Group of the Overview and Scrutiny (Internal Performance) Committee of St Albans City and District Council (SADC).
- It also includes background information from a briefing paper presented to Overview and Scrutiny (Internal Performance) in the 2009/10 municipal year.
- The Task Group was established in 2009 and met three times, in February, September and October 2010.
- The aim of the Task Group is to establish a charging policy for SADC, along with examining actual and potential sources of income.
- The Task Group consisted of five members¹ as follows:
 - Liberal Democrat Group - Councillors Grant, Lusby, White (Chair);
 - Conservative Group – Councillors Chamberlain, Turner.
- The Task Group's work was supported by the Scrutiny Support Officer, Claire Cowley. The Lead Officer for the Group was Colm O'Callaghan, Chief Financial Officer.
- The report is set out as follows:
 - the recommendations of the Task Group;
 - evidence considered by the Task Group, annotated with questions and comments, and subsequent deliberations;
 - background information on the public's views on charging for council services.

¹ The Labour position for this group was vacant

Recommendations of the Task Group

- In drawing up the Budget for the coming financial year (2011/2012), SADC's Cabinet, and relevant SADC officers, should take account of this Report.
- Charges currently levied on services should be increased for this budget, and regularly thereafter, using the principles developed by this group.
- These principles are set out below:

- **Charges for SADC services should normally cover costs unless prohibited by statute.**
- **Exceptions to this principle could be made for reasons of SADC policy or practicality – e.g. hardship criteria.**
- **Exceptions could also be made when any charge, or change to a charge, might be seen to be unfair or unjust.**
- **Increases to charges should be subject to a transitional period where any sudden increase would be unfair or unjust.**
- **SADC exists primarily for the benefit of its own residents. Therefore there is a case for charging, or continuing to charge, non-residents.**
- **It would be acceptable to levy top up fees for better/quicker services where there is a demand and this charge does not offend principles behind charging which have already been established above.**

- SADC should reject solely incremental charging (e.g. year-on-year percentage increase) if it does not take account of these policy principles.
- Introducing new charges and income generation should be routinely considered for the 2011/2012 budget round and in the future, using suggestions in this report as a starting point.
- In introducing or changing charges, SADC should be clear about the rationale for change and communicate this rationale appropriately to service users and other stakeholders, with account being taken of public views in any charging decisions made.
- This clarity should be in the context of the continuing efforts to communicate the annual Council Tax bill simply and clearly.
- Engagement and communication with councillors and the public regarding charging and budget setting generally should be prioritised.

Evidence and deliberations

1 Context for charging in SADC and other local authorities

- Services delivered to the public by St Albans District Council, like those provided by all other local authorities, are either chargeable or non-chargeable. They are also either statutory or provided at the discretion of the council.
- Within St Albans, it is not necessarily the case that discretionary services are charged for and statutorily provided services are not – there is likely to be cross over as the selected examples in the diagram below show.

	Statutory services	Discretionary services
Non chargeabl	e.g. Household refuse collection (excl bulky waste)	e.g. Health promotion support to schools
Chargeable	e.g. Cemeteries	e.g. Gym/health club facilities (provided under contract by Leisure Connection) Museums

- For some services provided by the Council, charges levied are fixed, determined by agencies outside the authority. Other charges are levied at a level at the authority's determination.
- Such discretionary charges often vary across different local authorities. Amounts levied for a variety of services with discretionary charges can vary substantially. To choose an extreme example, in 2009, to park in a long stay car park in Hitchin for a whole day cost £3 – whereas the same charge in Cambridge might be £20. Currently, to park for a day in the centre of St Albans costs £8.50.
- Councils can also decide to “means test” charges – for example means testing is applied by some authorities for pest control and bulky waste collection.
- It might also be the case that councils impose different charges on different user groups – residents and non-residents, for example.

- The “landscape” for charges across different councils is clearly variable, reflecting local history and political priorities/decisions.
- Impact of charges on particular client groups (those on benefits, older people etc) will be affected by charges levied by others – e.g. Hertfordshire County Council (day services, home care etc).
- Factors guiding decisions on charging should include:
 - the council’s stated priorities;
 - demand for services;
 - the cost of providing services;
 - the impact on individual customers and groups of customers;
 - the impact on the local business environment;
 - the impact of subsidy of services on non-users of these services.

1.1 Charging in SADC

- At its first meeting in February 2010 the Task Group identified a number of questions pertinent to the area of charging, namely:
 - How are charges at SADC currently determined?
 - Are there services where costs are not being covered?
 - Are there areas where it is reasonable to charge but SADC does not at present?
 - Are there facilities that don't exist but could if SADC charged?
 - Is SADC charging rent that is appropriate?
- Members indicated that they would like more information on these areas with a view to establishing principles on charging for services.
- These questions are addressed below with selected commentary from Task Group members.

1.1.1 SADC's current charges²

- **Licensing** – most licensing fees set by government, taxi licensing by SADC - permitted only to break even for almost all fees.
- **Parking** - off street car parks - set by SADC but determined when contract with NCP let – percentage increases are fixed (SADC could intervene if needed – NCP would then review contract fees).

Penalty charges (decriminalised) - set by government. Some choice on which level adopted (i.e. £50/70). These bands can only be set higher in London

Parking permits - set by SADC.

- **Museum charges** - free for residents on providing proof of residence. Non residents can be charged.
- **Collection of bulky refuse** - no charge for low incomes, charge for all others.

² From SADC register of fees and charges 2009, in order of inclusion in register.

- **Markets** – fees set at SADC discretion, no government restrictions on charging. Profit-making.
- **Street trading** – (other than markets) - needs to break even (legislation).
- **Building control** - needs to break even over three year period (legislation).
- **Planning** - fees - set by government.
Pre planning advice - recently (2009) reviewed at Cabinet. Decision made to offer an hour's free advice to residents, charges levied for subsequent advice after one hour, planning professionals (agents) charged for any advice given by SADC including those accompanying residents.
- **Leisure** - contractor takes income but SADC sets parameters for charges.
- **Cemeteries** - recognition that charges need to rise.
- **Allotments** - fees set year in advance – medium term plan to reduce cost to SADC led to high increases in recent years.

1.1.2 Services where costs are not covered or where income is generated

- Figures in £, as a cost or an income (latter minus sign).

	£ (minus sign denotes an income)	Commentary
A. COSTS NOT COVERED		
Statutory Services		
Refuse collection	1,638,090	Generally no charge for standard service.
Street cleansing	1,340,970	Generally no charge for standard service.
Recycling	1,104,110	Generally no charge for standard service.
Development control	655,000	
Council tax collection	639,700	
Benefits	557,745	
Environmental protection	385,000	E.g. air pollution, out of hours noise service
Food safety inc H&S at work	368,940	Generally no entitlement to charge, some aspects charged for e.g. water sampling fees
Electoral registration/services	223,040	Some small charges e.g. edited electoral register
Cemeteries	125,195	Should aim to break even as above
Parking on street	83,820	Aim to break even. SADC could lobby for banded Penalty Charge Notice fees to go up.
Leasehold properties	67,490	Costs of service being reviewed
Animal welfare and control	68,850	Some small charges e.g. boarding costs
Council housing	48,200	HRA does not break even every year.
Allotments	8,140	
Discretionary Services		
Leisure centres/administration	2,887,540	Contractor takes income as mentioned above
Parks and open spaces	919,345	Contractor takes income as mentioned above

Museums and heritage	893,790	Free for residents as mentioned above
CCTV	327,400	Charge levied to Councils we share services with
Public conveniences	233,650	
Tourist and information centre	186,350	Comprises c100k salaries, c70k stock
Development and tourism	169,020	
Pest control	107,660	Charges made for "nuisance" pests (e.g. wasps) no charge for a potential public health hazard related to pests (e.g. rats)
Anti social behaviour	82,370	
Planning enforcement	60,000	
Tree preservation and advice	144,000	
B. SERVICES WHERE LEGISLATION IMPLIES BREAKING EVEN		
Building Control	-129,140	Should break even over three years
Local Land Charges	65,725	Options are currently being reviewed but it is unlikely charges can cover cost in future.
Hackney Carriage	17,780	Charges set to break even
Licensing	16,450	Should break even overall, not on a case by case basis
C. PROFIT MAKING SERVICES		
Commercial properties	-243,370	
Car parks	-1,496,380	
Markets	-158,070	

1.1.3 Areas where it is reasonable to charge but SADC does not

- Selected suggestions include the following:
 - Verulamium Museum charges for non residents, free to residents. Token charge for Clock Tower. Other sites free of charge.
 - Current leisure subsidy for residents
 - Public toilets
 - “Top up” fees for prescribed service levels – e.g. extra fee for faster turnaround (where legally possible)

1.1.4 Facilities/services that don't exist but could if we charged

- Selected suggestions include the following:
 - Expanding services such as leisure centres (if costs covered) – more sites, or more facilities at sites
 - Assigned charges/contributions from, e.g. pubs to pay for licensing compliance officers/ASBO work
 - Film location brokerage service
 - Charging out staff
 - More extensive sponsorship/advertising (e.g. SADC website, events, signage, floral displays)
 - Youth facilities
 - Room/venue hire for all SADC properties e.g. museums
 - Trading in-house council services, possibly including shared service arrangements
- It is suggested that the areas above are considered in more detailed discussions on the 2011/2012 budget and beyond.

1.1.5 Income from SADC owned properties

- Rents are determined in accordance with the terms of the agreements such as repairing liabilities, lease restrictions, use etc. Normally they will be reviewed every five years to market value³. Some, such as Telecoms base stations might be calculated using the increase in the Retail Prices Index. SADC has one or two that are based on a percentage of turnover, which requires the tenant to produce their accounts.
- In the case of a vacant property SADC will put it out to the market and the rent is decided based on the offers received. It would normally take the highest offer unless we considered that the bidder was unlikely to be financially sound or their proposed use was unacceptable.
- SADC has to negotiate with the tenant (or their agent) with each party offering (usually) different comparable evidence until we can find something that both parties are happy with. If unable to agree then SADC refers the matter to a third party, who is usually a Chartered Surveyor appointed either by agreement between us and the tenant or failing that by the Royal Institution of Chartered Surveyors. The rent determined by the third party will be binding on both us and the tenant.
- Rents can also be determined by a court. If for example a lease expires and SADC agrees to grant the tenant a new lease, if unable to agree either the terms of the lease or the rent the matter could end up in court. Both sides would then have to present their comparable evidence to court and a rent would be determined which would be binding on both parties.
- Regarding SADC-owned commercial properties (e.g. city centre shops) – members felt that SADC needed to be sure it was receiving the maximum possible income from such properties. Processes to ensure this would include continual reviews of return on assets and value for money from rental stock overall, and consideration of the use of target rents.

³ Market value will be ascertained using comparable evidence of transactions (new lettings or rent reviews) undertaken in respect of similar properties in similar locations. If SADC was reviewing the rent of a shop in Market Place for example it would look at any recent transactions on other shops in the city centre and contact local commercial agents to obtain evidence they have of recent lettings or rent reviews. SADC uses what is known as a zoning method to enable different properties to be easily compared. Property such as workshops are not zoned but they are compared on a rate per sq ft or per sq m basis.

2 Charging in SADC – Task Group views

- This section includes Task Group views on the contextual information provided including views on actual or potential areas for council charging and possible charging policy/principles.
- It was considered that SADC should (continue to) consider sponsorship for an appropriate range of council activities. The boxed examples below should not be considered exhaustive but are preliminary ideas.

EXAMPLES

Roundabouts (County responsibility but District implementation)

Continue to work to achieve this and maximise benefit to district

SADC website

In principle there doesn't seem to be a problem here and some small districts, e.g. Mid Sussex District Council, do this – no adverts on home page but on all other pages⁴. However there may be practical difficulties here with, for example, advertisements from companies currently pursuing a planning application, or those wishing to do business with Council through a formal tendering process.

St Albans city-/district-wide events

Continue to work to achieve sponsorship and maximise benefit to District

Room and venue hire of SADC locations

Potential for more proactive efforts. A sense that assets are not being maximised, lack of awareness of some facilities' availability for hire.

- Members commented that the Society of District Council Treasurers is currently lobbying for a change in the law enabling fewer charging constraints for District Council services. Members felt that SADC could consider more entrepreneurial activity where it was already able to do so. Other authorities had done this in a variety of areas.

⁴ <http://www.midsussex.gov.uk/page.cfm?pageID=5505>

EXAMPLE

Liverpool City Council works with a social enterprise, Bulky Bob's, which collects oversized/bulky waste items, reconditions them and sells them on.

3 Principles

Suggested principles for charging for council services

The following principles were suggested⁵.

- Charges for SADC services should normally cover costs unless prohibited by statute.
- Exceptions to this principle could be made for reasons of SADC policy or practicality – e.g. hardship criteria.

EXAMPLE (for clarification of the stated principle only)

- For example, charging for rat problems in specific properties or circumstances might be permitted but undesirable from a policy/health and safety perspective.

- In contrast charging for dealing with a wasp infestation might be deemed acceptable from a policy perspective as such a problem is unpleasant but not a significant health and safety issue.

- However, it might be decided that a wasp infestation in the property of a benefit recipient would not be charged for, thus applying a means test of hardship.⁶

- Exceptions could also be made when any charge, or change to a charge, might be seen to be unfair or unjust.
- Also, increases to charges should be subject to a transitional period where any sudden increase would be unfair or unjust.

⁵ Please note that boxed examples are intended to provide clarification of the principles, not to suggest that changes to charges in specific areas are planned.

⁶ At present, residents are charged for dealing with wasp problems, with those in receipt of benefits being charged at a reduced rate.

EXAMPLE

- For example, any increase in charges for rented properties (not council houses - e.g. council garages) might be prohibitively high if applied over one financial year to make up for the difference between rent currently charged and market rent. It may be that any increase in payment should be staged over a period of years to offset any potential hardship and allow customers to make alternative arrangements

- SADC exists primarily for the benefit of its own residents. Therefore there is a case for exempting residents from a particular charge.

EXAMPLE

- some museums in St Albans are free to residents and charge non-residents, others do not have this policy. It may be worth reviewing this to apply a consistent policy across museums, sport and leisure activities, concerts and so on.

- however, there is an argument for providing free facilities for all where this would give a primary benefit for St Albans District residents (e.g. public toilets)

- activities such as *charged-for* film location support could be provided to help companies find appropriate filming locations but also indirectly provide redress for disruption to residents (e.g. restriction of parking bays, road closures etc). Support could be provided such as that offered by Bath and North East Somerset and Liverpool Councils⁷

- It would be acceptable to levy top up fees for better/quicker services where there is a demand and this charge does not offend principles behind charging which have already been established above.

EXAMPLE

- top up fees could be levied for a “fast track” or “premium” service – as long as that service was genuinely better and the service provided to those not paying was not worse than established/current levels.

⁷ <http://www.bathnes.gov.uk/leisureandculture/artsandentertainment/Pages/filmpermissions.aspx>
http://www.liverpool.gov.uk/Leisure_and_culture/Film_office/index.asp

- levying a charge for public toilets may mean that facilities could be refurbished more often, cleaned more regularly, provide more services (e.g. separate baby changing facilities)

Appendix

3.1 Selected external research on charging for council services

- Members were presented with external research data on service charging, including Audit Commission and BDO research as detailed below.

3.1.1 Audit Commission - Positively Charged report

- The Audit Commission report, Positively Charged, was published in January 2008⁸. It considered issues relating to charging for council services.
- Main points from the Audit Commission research include⁹:
 - In 2006/07, councils in England raised £10.8 billion from charges for services, not including housing rents. This was around 8 per cent of their total income and about half as much as they raised in council tax.
 - County councils collect the most charging income, but it is for district councils that charges make the greatest contribution to service delivery; equal to nearly one-fifth of total service expenditure.
 - Education services, such as school meals and transport; social services, such as homecare; and highways and transport services, such as parking, account for over half of all income raised through charges.
 - Charges can be set to encourage or discourage people to use services and, through concessions, to target services at particular groups.
 - They can also be used to ration services and other resources where demand is high or where overuse is deemed undesirable.
 - Councils have used charges and concessions to pursue local objectives, such as encouraging recycling and composting; reducing congestion; and promoting participation in sports and leisure activities by target groups to reduce health inequalities.

⁸ [http://www.audit-](http://www.audit-commission.gov.uk/SiteCollectionDocuments/AuditCommissionReports/NationalStudies/PositivelyChargedREPJan08.pdf)

[commission.gov.uk/SiteCollectionDocuments/AuditCommissionReports/NationalStudies/PositivelyChargedREPJan08.pdf](http://www.audit-commission.gov.uk/SiteCollectionDocuments/AuditCommissionReports/NationalStudies/PositivelyChargedREPJan08.pdf)

⁹ These points taken directly from the Audit Commission report summary.

- Councils in similar circumstances make very different decisions about which services to provide and whether, and at what level, to charge for and subsidise services.
- Councils can minimise local concern about such variations by explaining the reasons for them and involving local people in the decision-making process.
- Only one in five councils believes it uses charging to its full potential.
- Powers introduced in 2003 to charge for discretionary services have remained largely unused by councils.
- Nearly half of all councils have no agreed policy to guide their decisions on the use of charges.
- Central government sets the level of some charges and restricts the extent of charging in other areas.
- The rationale for these restrictions is not always clear to councils or the public.
- The public is more receptive to charging for some services than is often assumed. People are more willing to pay charges where they can see what they are getting for their money and have a degree of choice.
- The Audit Commission makes a number of recommendations about charging for services which are grouped into two main themes:
 - Undertake regular reviews of their approaches to charging, both within service areas and across the whole council.
 - Engage service users and taxpayers more in decisions about whether and at what level to charge for services.
- Members commented on the findings of the Audit Commission's report on charging for services, *Positively Charged* as being relevant to their deliberations. In particular, attention was drawn to the following conclusions:
 - Local politicians' decisions on charging are often ill informed. Budget information is mostly presented to councillors net of charging income, making it difficult for them to see the contribution to spending and at what level services are being subsidised.

- Decisions on levels of charging are most often driven by corporate income targets, historic charges and by levels in neighbouring councils rather than knowledge of the likely impact on use of services.

3.1.2 BDO research

- Members also commented on recent research done with members of the public and senior council managers on perceptions of charging for council services commissioned by accountancy firm BDO¹⁰. Quoting from the BDO research:

“The public are not opposed to wider use of charging in local government, but for the majority, their support is conditional – they are only willing to accept it if the money raised results in other services being protected from cuts.”

and

“The biggest challenge for local authorities in achieving this is building public legitimacy. More than three-fifths of authorities see public resistance as a barrier to new charges, while more than half of local authorities have already rejected proposals for new or increased charging in certain areas.”

- Therefore members felt it was important to emphasise transparency and legitimacy as key elements of the process of introducing or raising charges.

3.1.3 Other external research on charging

- The Task Group also wish to ask members of the public the following questions through the **SADC Community Panel**:
 - what services are included in council tax (unprompted perceptions then prompted discussion);
 - what services do people feel should be included in their council tax;
 - what is the minimum level of service expected – would people pay more for additional service – e.g. extra bin collection.

¹⁰ <http://www.bdo.uk.com/press/2010/9/public-say-yes-charging-only-protect-other-services>

- These questions will be addressed as part of the planned budget consultation taking place in the Autumn. They will feed into the budget planning and scrutiny process for 2011/2012.
- To help councillors' deliberations in the absence of consultation evidence, past research on public attitudes to council charging was collated, which is also appended.

3.2 Public attitudes to local authority charging

1. IPSOS MORI

Reproduced summary information *in italics* from IPSOS MORI research on public attitudes to council tax/charges. Full report can be found at <http://www.audit-commission.gov.uk/SiteCollectionDocuments/AuditCommissionReports/NationalStudies/ChargingKeyFindingsJan08.pdf>

Key Findings

This summary provides an overview of the key findings. It looks first at general attitudes towards the council (which set the tone for the subsequent discussions) and perceptions of value for money. It then focuses on reactions to service specific charges and the potential impact on service use, equity and behaviour change. The final section explores these issues from the perspective of micro businesses.

Perceptions of the council

Each of the groups began with a discussion about the council in general. In terms of immediate, top of mind responses, attitudes varied markedly. For example, the London group adopted a positive stance which was in contrast to the North East group where the term 'the council' evoked, initially at least, negative perspectives.

Echoing research we have done before, it was of little surprise to see participants identify waste and recycling as the main services they see the council providing. Indeed, even with services like parks the link for some participants between the amenity and the council was not immediately clear. Nonetheless, on prompting and deliberation participants were able to extend the list, adding leisure, libraries, museums, education, parking and street cleaning.

Participants were quick to give specific examples of how their council could improve. Some of these were area-specific, for example, in the North East group council housing was mentioned repeatedly as a key area for improvement. In the South Central group it was

parking and, in particular, alternate weekly waste collections which acted as a lightning rod for dissatisfaction with the council.

Though, perhaps predictably, participants spent proportionately more time talking about services that were not delivered so well, they also identified areas where the council was performing well. Examples included the buses in the East of England and South Central groups, leisure facilities in the North East and waste collections and street cleanliness in London.

Attitudes to council tax and 'value for money'

Broadly speaking, and with the exception of the London group (whose council tax is particularly low), participants had only a very vague sense of how much they were paying relative to other areas.

Perceptions of the value for money of local services were mixed. The quantitative research shows that while 37% agree they receive value for money from the council, exactly the same proportion disagrees. This was also evident in the group discussions. In the London group, for example, participants were positive and acknowledged that they received value for money across a range of services.

They were the only group, though, to conclude that they were receiving value for money from the council on a systematic basis across services, whereas other groups were more likely to identify one or two quality services amongst others which were not seen in such a positive light. Interestingly, and a potential area for further research, some participants intimated that the overall level of the tax was less important to them than how the money was spent and, by extension, the quality of services received.

On information the group discussions suggest residents are not generally well informed about how council tax is set and what it comprises. All groups were confused, for example, on the status of rescue and police services in relation to council tax. They did acknowledge, however, that information is available if they want to see it, something which is supported by the quantitative data.

Reactions to service-specific charges

Experience of service-specific charges is relatively widespread if not universal – around two thirds have paid a charge in the past year. However, experience to date has been rather narrow, with parking charges and leisure fees the only services which a large number of residents have paid for. Only small minorities - of around one in ten residents - have paid for library services, museums or bulky waste collections, and even less have paid for home care services.

Perceived value for money also produces interesting findings – while the vast majority of services associated with charges are rated highly and only one (parking) is singled out for dissatisfaction, this is of course the service that the public are most likely to have experienced charging through.

The groups also suggest that service specific charges could trigger a utilitarian response among many people. Several participants, for example, supported charges on the grounds that there would be a strong and clear link between the amount they pay, x, and the service they receive in return, y.

Overall, the groups suggest that service specific charges are received positively in principle. However, they also demonstrated that this support was subject to three caveats and conditions:

(i) Transparency and accountability – Most participants were concerned about how the charge would operate alongside council tax, and were generally suspicious that council tax would ever go down, or be offset, as part of a trade off with charges. Such a view potentially fuels the perceptions that charges are “additional” which could, for certain services such as parks, prove contentious. More research is needed here.

(ii) The context for charging - The research found that support or opposition to service specific charges varied considerably by service type and the context behind the charge. On the one hand, participants were comfortable paying an additional charge for things such as leisure, some library services and museums, which for many was the norm. Even on some issues where we might expect a negative reaction, such as parking charges, concern here focused on the level of the charge rather than the principle of charging itself. On other issues however, charges prove much more contentious. For example, waste charges split the groups. Some participants were opposed in principle and thought they were being asked to “pay twice”; more, though, were actually sympathetic to the need for a charge and the underlying rationale but were concerned about unintended side effects, such as fly tipping and the disproportionate impact on large families.

(iii) Cross subsidisation of services - Participants preferred to see their money reinvested at the point of charge (at a specific gym or library). This was partly on the grounds of personal utility because they wanted to be a beneficiary of greater investment in the service/facility. It was also partly because the charge, and its management, would then be more transparent than is the case with the general council tax 'pot'. Most were willing to allow some limited cross subsidisation, e.g. from one gym to another if they were notably poorer in quality, but tended to reject monies going further or into different areas.

Impact of service-specific charges

Moving on from the general principle and specific applications of charges, the groups also explored two further issues: on equity and behaviour change. Equity and equality of access - most participants were comfortable with the idea of differential charging based on ability to pay, for example through a mechanism like means testing or discount cards. This is supported by the quantitative data.

The only dissenting voices were amongst the South Central group with pensioners, who were very keen on discounts that applied to their age group but less sympathetic towards discounts based on income. However, on the issue of different local charges in different areas for the same service (the so-called "postcode lottery") the public are split: 40% think this is acceptable, while exactly the same proportion disagree. Only those in social class AB and in the high income bracket tend to be noticeably more comfortable with this idea.

Behaviour change - the issue of using charges to further behaviour change objectives, i.e. charges to discourage 'bad' things and encourage 'good' alternatives, is generally supported as a matter of principle. However, once again the issue is very context-dependent. For example, the logic of charging for behaviour change was soon lost in the examples of 'pay as you throw' waste charges to encourage recycling, as well as parking charges to encourage public transport use. Even agreement on a 'good' thing was not particularly easy – in the London group, for example, participants all welcomed subsidies for activities for young people, but reacted negatively to the London scheme of free bus travel for under 16s.

Attitudes among micro businesses

In contrast to residents, the micro businesses group in South Central were overwhelmingly negative about the council and its performance. They were not able, even after prompting, to identify bespoke business services they felt they received in return for paying their business rates.

Because of these underlying attitudes to the council and business rates, participants did not initially react positively to charges. Again, a lack of trust in the accountability and transparency of the process led to them believing the charges would be additional and not offset against a reduction in business rates.

There was strong feeling in this group about perceived inefficiency, ineffectiveness and poor quality services from the council, which inevitably made the concept of paying charges for these services unappealing at the outset.

However, on further discussion they did acknowledge some of the potential benefits of service specific charges so long as certain conditions were met (fairness, transparency, supportive rather than restrictive). Again, attitudes in principle were coloured by previous experiences, although there appears nonetheless room to consider more flexibility in local business charges and services, whether through charges or local powers to set/spend business rates.

2. 2006 Department for Communities and Local Government (DCLG) study by York Consulting.

Relevant findings from the full report include from section 4 “views on charging”:

- Around half of the residents interviewed would expect to continue using a council service if charges were introduced, although half of these residents expected that their level of use would fall following the introduction of the charge.
- Half of survey participants expressed willingness to pay a small fee for using a new service introduced by their local council.
- Willingness to pay for council services will be influenced to a significant extent by the nature of the service being offered.

The full report can be found at

<http://www.communities.gov.uk/documents/localgovernment/pdf/151591.pdf>

3. BMG Research

As part of the Lyons enquiry into local government an opinion poll of 1000 residents looked into aspects of peoples views on local government. The findings relevant to charges and local taxation are reproduced below *in italics*

H.71 *At all waves respondents were asked whether they thought local councils should be allowed to offer better quality services to those households that choose to pay more for them.*

H.72 *In waves one and three, opinions were very much balanced, with close to half (48 per cent and 46 per cent respectively) saying that local councils should, and similar proportions (48 per cent in both waves) that they should not be allowed to offer better quality services to those who choose to pay more for them.*

H.73 *At wave three respondents were also asked whether their household would be prepared to pay extra in order to receive a new or better service from their council. Whereas around half (46 per cent) felt that councils should be allowed to offer new or better services to those who chose to pay for them, only 29 per cent reported that their household would actually take advantage of such an opportunity. Of these, one in ten (9 per cent) reported that their household would consider this option for all services, and one in five (20 per cent) that their household would consider this option for some services.*

H.74 *When those who reported that they would be prepared to pay more for some services were asked for which services they would be prepared to pay more, the key areas identified (unprompted) were the police (44 per cent) and the NHS (30 per cent).*

H.75 *Around a fifth mentioned: public transport (21 per cent); roads (21 per cent); refuse collection (20 per cent); education (18 per cent); social services (18 per cent); and leisure services (17 per cent).*

H.76 *In terms of level of service usage, it was those who were high or medium users of services who were more likely to report that their household would not be prepared to pay extra to receive a new or better service from their local council (65 per cent and 71 per cent respectively compared to 43 per cent of low users of services).*

H.77 *In contrast, close to a third (32 per cent) of low users of services reported that their household would be prepared to pay extra for all services. This points to a dichotomy, whereby those who are most likely to use services are least likely to wish to pay for them, and vice versa.*

For the full report see

<http://www.lyonsinquiry.org.uk/>

<http://www.webarchive.org.uk/wayback/archive/20070428120000/http://www.lyonsinquiry.org.uk/docs/final-H.pdf>

