

Report of	Meeting	Date
Chief Finance Officer	Executive Cabinet	16 January 2020

REVIEW OF FEES & CHARGES

PURPOSE OF REPORT

- To amend some of the discretionary fees and charges the council currently makes to bring the income in line with the cost of delivering these services. In doing so to revise the income budgets for 2020/21 onwards.

RECOMMENDATION(S)

- That the proposed 2% increase in fees and charges outlined in table 2 of this report be approved and it be further noted that the proposals will form part of the final budget papers to be presented to Full Council in February 2020.

EXECUTIVE SUMMARY OF REPORT

- The council's fees and charges policy has been created to ensure fees are reviewed frequently and consistently. Finance lead on the review every year alongside service managers and directors. A review of fees and charges is submitted annually to January Executive Cabinet.
- The 2020/21 review of fees and charges proposes a 2% inflationary increase in a number of discretionary fees & charges. This will ensure the council better meets the cost of providing these services. This has the effect of reducing or eliminating the council taxpayer's subsidy to these services so instead council tax can fund other priority service areas.

Confidential report Please bold as appropriate	Yes	No
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Key Decision? Please bold as appropriate	Yes	No
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Reason Please bold as appropriate	1, a change in service provision that impacts upon the service revenue budget by £100,000 or more	2, a contract worth £100,000 or more
	3, a new or unprogrammed capital scheme of £100,000 or more	4, Significant impact in environmental, social or physical terms in two or more wards

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

- The council should endeavour, when it is legal and feasible to do so, to charge users to meet the full cost of providing services.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- Without a regular review of fees and charges, new opportunities to introduce new services and charges may be missed. In addition, without increasing charges the cost of delivering services may not be recovered in full.

CORPORATE PRIORITIES

- This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all		A strong local economy	
Clean, safe and healthy homes and communities		An ambitious council that does more to meet the needs of residents and the local area	✓

BACKGROUND

- The Council's constitution outlines that it is the responsibility of each chief officer to agree its departmental charging policy in conjunction with the chief finance officer. It also stipulates that fees and charges should be reviewed annually.
- It is important that decisions are made consistently and adhere to the principles which are laid out in the fees and charges policy.

REVIEW OF FEES & CHARGES 2020/21

- The 2019/20 review of Fees and Charges introduced a new fees & charges policy for the Council whereby charges are to be reviewed annually and where possible charges increased if there exists a gap between the cost of delivering the service and the income collected.
- The 2019/20 review adjusted the fees and charges for Bereavement Services, Regulatory Services and Cotswold House. Budgets were also adjusted to reflect anticipated take-up of services for Bulky Waste Collection and Community Centres.

12. It is proposed the following charges are not adjusted for 2020/21:

Fee	Reason for Exclusion	Expected Review
Car Parking – town centre	Fees to be maintained at current levels due to disruption from major works in the town centre.	20/21
Markets	Fees to be maintained at current levels due to disruption from major works in the town centre.	20/21
PCN	Penalty Charge Notices are set nationally.	N/A
Planning	Planning fees are set nationally.	N/A
Building Control	Fees, in agreement with South Ribble Borough and Preston City Councils, have been set in August 2017 with an average increase of 6%.	20/21
Garden Waste Subscription	Charges will be reviewed after the implementation of the new contract when actual costs of delivering the service are better understood.	20/21
Land Charges	The Infrastructure Act 2015 provides for the transfer of responsibility for Local Land Charges from local authorities to Land Registry. There has been no update as to when this transfer will be completed.	20/21
Summons Charges	Current charges for summons and liability orders are in line with the cost of delivering the service and should therefore not be increased.	20/21

13. The review of fees and charges for 2020/21 has identified budget changes required as shown in table 1 below:

Table 1: Summary of the Proposed Changes to Income Budgets

Service	2020/21				Proposal (more details in appendix 1)
	2020/21 Original Income Budget £	Proposed Budget Alignment (1) £	Revised Budget 2020/21 (1) + (2) £	Cost of Service £	
Charnock Richard Crematorium	(6,000)	(10,000)	(16,000)	N/A	Budget to be increased in line with anticipated receipts for 2020/21.
Street Naming & Numbering	(25,000)	5,000	(20,000)	N/A	Budget revised to bring in line with actual income received for 2018/19 and forecast income for 2019/20.
Astley Hall	(5,000)	5,000	0	N/A	No income anticipated in 2020/21 from wedding fees and schools admissions due to major refurbishment works.
Community Centres	(75,050)	(6,760)	(81,810)	245,000	Budgets to be increased to reflect expected take-up of service in 2020/21. No proposed changes to charges in 20/21.
Regulatory Services -Licence Fees	(66,300)	30,000	(36,300)	N/A	Unable to implement new licensing policy for special treatments due to lack of necessary national legislative framework.
Disabled Facilities Grant Admin. Fee	(75,000)	(25,000)	(100,000)	N/A	Budget revised to bring in line with actual admin fees received for 2018/19 and forecasts for 2019/20.
Other minor adjustments	(83,330)	1,760	(81,570)	N/A	Various minor budget adjustments to bring in line with actual received for 2018/19 and forecasts for 2019/20.
TOTAL	(335,680)	0	(335,680)		

Column (1) – adjustment to budgets to reflect forecast income levels

Inflationary Increases to Fees & Charges

14. The services listed in table 2 below have been suggested for potential inflationary increases in charges for 2020/21. The table shows the anticipated additional income that would be generated for each % level of increase. **CPI is forecast at 2% in 2020/21.**

Table 2: Impact of Inflationary Increases in Fees & Charges

Service	Impact of Inflationary Increase in Charges				
	2020/21 Income Budget £	1% £	2% £	3% £	4% £
Legal Services - Recovery of Costs	(30,000)	(300)	(600)	(900)	(1,200)
Lancastrian Room Hire	(16,000)	(160)	(320)	(480)	(640)
Bulky Waste Collection	(58,300)	(583)	(1,166)	(1,749)	(2,332)
Bereavement Services	(110,680)	(1,107)	(2,214)	(3,320)	(4,427)
Investment Portfolio - Rent Garages	(25,000)	(250)	(500)	(750)	(1,000)
Public Protection - Licence Fees	(36,300)	(363)	(726)	(1,089)	(1,452)
Community Centres - Room Hire	(81,810)	(818)	(1,636)	(2,454)	(3,272)
TOTAL	(358,090)	(3,581)	(7,162)	(10,743)	(14,324)

IMPLICATIONS OF REPORT

Risk

15. There is a low risk that use of council services would be reduced due to this inflationary increase in fees and charges
16. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	✓	Customer Services	
Human Resources		Equality and Diversity	
Legal		Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

COMMENTS OF THE STATUTORY FINANCE OFFICER

17. Any approved changes to fees and charges will require the council's income budgets to be updated. This will be completed as part of the budget setting process for 2020/21 ready for the final approval of the budget at Special Council on 25 February 2020.

COMMENTS OF THE MONITORING OFFICER

18. No comment

GARY HALL
CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER

Report Author	Ext	Date
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