

Report of	Meeting	Date
Director (Finance) (Introduced by Executive Member (Resources))	Executive Cabinet	19 <sup>th</sup> January 2023

## 2023/24 Fees and Charges

Is this report confidential?	No
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Is this decision key?	Yes
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Savings or expenditure amounting to greater than £100,000	<b>Significant impact on 2 or more council wards</b>
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### Purpose of the Report

1. This report sets out the current position around fees and charges and proposals for 2023/24.

### Recommendations to Executive Cabinet

2. To note the current levels of budgeted fees and charges and the issues specific to these;
3. To approve an uplift in the Strawberry Fields service charge of £1 per square foot to better reflect the current costs incurred at the site, as detailed at point 21.
4. To approve an uplift in the rents of all Council owned housing (including Extra Care) of 7%. (This is lower than the agreed approach of increasing them by CPI plus 1% [based on CPI at September each year] as agreed at Cabinet in July 2022, which would result in an increase of 9.8%, but is consistent with the recent government consultation on rents as detailed at points 18 and 19).
5. To approve the increase to the gas charges at Primrose Gardens to £21 per week and set a new charge for Tatton at £32 per week for electricity as detailed at point 20.
6. To approve a general increase of 5% in the fees (limited to the services listed in Table 3 of Appendix 1) for 2023/24. Given that the rate of CPI is currently running at 9.6%, and RPI at 14.2%, the recommended uplift is less than inflation.
7. To approve the full list of fees and charges for upload onto the Council website.

### Reasons for recommendations

8. To ensure that fees and charges are set at appropriate levels and are publicly available.

## Other options considered and rejected

9. No other options considered as we are required to review fees and charges each year.

## Executive summary

10. This report sets out the key fees and charges budgets and the income generated from each. It also proposed where changes to take place to be reflected in the 23/24 financial year.

## Corporate priorities

11. The report relates to the following corporate priorities:

<b>Housing where residents can live well</b>	A green and sustainable borough
<b>An enterprising economy with vibrant local centres in urban and rural areas</b>	Healthy, safe and engaged communities

## Background to the report

12. The Council generates significant income from various fees and charges. The majority of these charges are set either nationally (Table 1), or on an individual basis (Table 4).

## Fees and Charges Position

13. **Appendix 1** details the key fees and charges budgets across a number of categories. It should be noted however, that the tables are not exhaustive or exclusive (i.e. some fees and charges fall into more than one category) but they give an indication of the core fees involved.
14. **Table 1** provides details of those charges over which the Council has no control in setting the amount that can be charged. The largest of these relates to planning application fees. Whilst the fee is not within local control, it is the volume of the applications which can significantly impact upon this budget and the income generated, and it can vary significantly depending on the size of these.
15. **Table 2** illustrates the specific fees and charges that generate an income of greater than £50k. The largest of these relate to the Council's major projects at Market Walk, Strawberry Fields, Strawberry Meadows, Tatton Gardens Primrose Gardens, Cotswold House and other projects (including the rental of Logistics House). Outside of these charges, the biggest income streams relate to garden waste, car parking and building control.
16. **Table 3** shows the fees and charges that have generally been increased by a given percentage, or through an inflationary uplift, as opposed to being subject to a full, formal review. The increases across these can vary, but it is proposed to apply a general increase to these of 5%, which is lower than the October rates of CPI (9.6%) and RPI (14.2%). This change equates to a forecast increase in revenue of £9.2k, based on current levels of volume/demand.

17. **Table 4** illustrates the more significant areas which impact upon the amount of income generated through changes in charges. An update on these charges is below:

- Other Investment Rentals and Leases – these are negotiated on a case by case basis to ensure maximum financial benefit. Income has remained largely stable across these categories as most of it relates to the lease income from Logistics House.
- Strawberry Fields, Strawberry Meadows and Market Walk – lease charges are negotiated on a case by case basis.
- Garden Waste collection – these costs were increased to £32.50 from April 2022. It is not proposed to increase them in the coming financial year, the Council’s charge remains comparable to those of the other Lancashire Districts, many of which charge £35 per annum.

18. The Council’s housing rents have not been increased since the initial rental values were introduced for them. In July 2022, Executive Cabinet agreed the principle to increase rents at Primrose and Tatton by the rate CPI plus 1% at September each year. That mirrors the guidance from government on Social Rents which although not a direct equivalent to the Council’s housing it is a useful barometer. However, with CPI at significantly higher levels than expected a recent government consultation has suggested a rise of 7% instead. It is anticipated a 7% rise would result in an increase in income to the Council of approximately £80k

19. Some tenants would see rises in rents matched by an uplift in Housing Benefit. Analysis of Primrose Garden Tenants suggests around 60% would see the increase funded, or partially funded and up to 40% would be paying the increase directly themselves.

<b>Primrose Gardens</b>	<b>Full HB</b>	<b>Partial</b>	<b>0% HB</b>	<b>Total</b>
<b>No. of Residents</b>	32	7	26	65
<b>% of Residents</b>	49%	11%	40%	100%

20. It is not proposed to increase service charge costs at this point as broadly they are in line with costs. However, the increase in gas charges at Primrose means that the weekly charge for gas requires an increase to £21 and the new charge for electricity at Tatton will need to be set at £32.78 per week. These costs are reflective of actual charges incurred and include no element of uplift for the Council. By setting fixed charges the tenants are sheltered from fluctuations on an annual basis but should charges reduce then these will be passed on by way of reduction in this amount. As a result, the Council bears the risk of inflationary increases above the rates charged.

21. It is proposed to increase the Strawberry Fields service charge by £1 per square foot to reflect the fact that currently costs are in excess of the charge. Although the Strawberry Fields business model has achieved the expected levels of income in the MTFs, it has been clear that costs are greater than the £7 per square foot initially charged to businesses. Now that the building is at almost at full occupancy levels, the

costs are better understood, and it is felt raising this charge will reflect the true cost. Service Charges should reflect the actual cost of the building and a service charge report is produced each year to evidence this; due to Covid 19 and other changes in the configuration of the premise, a reflection of true costs is only now being fully understood.

### **Climate change and air quality**

22. The work noted in this report does not impact the climate change and sustainability targets of the Council's Green Agenda and all environmental considerations are in place.

### **Equality and diversity**

23. N/A

### **Risk**

24. As detailed in the report

### **Comments of the Statutory Finance Officer**

25. The financial implications are contained within this report.

### **Comments of the Monitoring Officer**

26. The Monitoring Officer has no concerns with the proposed way forward outlined in this report. In terms of the fees referred to the council has a discretion over what level the fees should be set at but as ever it must act in a reasonable fashion.

### **Background documents**

There are no background papers to this report.

### **Appendices**

Appendix 1 – Fees and Charges Tables

Appendix 2 - Detailed Fees and Charges List (to be updated following above approvals)

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