

| Report of   | Meeting           | Date                          |
|---|-------------------|-------------------------------|
| Director (Finance)<br>(Introduced by Executive Member<br>(Resources)) | Executive Cabinet | 18 <sup>th</sup> January 2024 |

## Fees and Charges 2024-25

|                              |    |
|------------------------------|----|
| Is this report confidential? | No |
|------------------------------|----|

|                       |     |
|-----------------------|-----|
| Is this decision key? | Yes |
|-----------------------|-----|

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|--|--|
| <b>Savings or expenditure amounting to greater than £100,000</b> | <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 2024/25 changes. Increases will be implemented from 1<sup>st</sup> April 2024 or the most suitable date following.

### 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 29.
4. To approve an uplift in the rents of all Council owned housing (including Extra Care but excluding Cotswold House) of 7.7%. This is the approach agreed by Executive Cabinet in July 2022 of increasing these rents by CPI plus 1%, were CPI is based on the rate applicable at September each year. As service charges and utility charges are still broadly in line with the actual costs incurred, there is no proposal to increase these; these were reviewed last year.
5. To approve an increase in rent at Cotswold House of 3.07%, plus an increase in service charge of 7.52%, but with a reduction in the personal charge of 13.47% as detailed in point 28.
6. To approve an increase in the core charges for the Lancastrian by 6.7% as per point 33.
7. To approve the changes to the structure of community centre hire charges as per point 32 and Appendix 4.

8. To approve an increase of £12.80 per annum for the allotment plots that have water access and a 6.7% increase for the plots with no water access as per point 30.
9. To approve the changes to the structure of Other Licensing Fees, Housing and Pest Control as per point 34 and Appendix 3.
10. To approve a general increase of up to 6.7% in the fees for 2024/25, limited to the services listed in Table 3 of Appendix 1. Given that the rate of CPI in September was running at 6.7%, and RPI at 8.9%, the recommended uplift is in line with CPI.
11. To note that fees and charges in respect of Astley Hall will be reviewed during the year as part of the commercial strategy review.
12. To approve a change to the split of cost in relation to Council Tax and Business Rates Court Summons and Liability Orders as per point 35. The overall cost will remain the same.
13. To approve the full list of fees and charges for upload onto the Council website.

### **Recommendations to Council**

14. To recommend to Council an increase in garden waste collection charges of £5.00 as per point 31.

### **Reasons for recommendations**

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

### **Other options considered and rejected**

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

### **Executive summary**

17. This report sets out the key fees and charges budgets and the income generated from each. It also sets out an estimate of the financial impact in 2024/25 of the proposals made, if they were to be adopted.

### **Corporate priorities**

18. The report relates to the following corporate priorities:

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

## Background to the report

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

## Fees and charged Position

20. **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 covered.
21. **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 applications which can significantly impact upon this budget and the income generated, along with the size of the applications made. In recent years there have been a large number of individual applications and as a result Planning Fee income budgets have been increased. It is not expected that this will continue in the medium term. Government increased General Planning Fees with effect from 6<sup>th</sup> December 2023 by 25%, and by 35% for major developments. It has been usual for Planning Fees to rise every few years rather than annually, but the new regulations provide for an annual indexation increase. However alongside these increases there are new requirements in force, for example a reduction in fee must be given if an application is not processed within given timescales; this may impact upon the level of income achieved against the budgets set.
22. **Table 2** illustrates the specific fees and charges that generate an income of greater than £50k for the Council. 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.
23. **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 have varied, but it is proposed to apply a maximum general increase to these of 6.7%, which is consistent with September CPI and the rate that the Chancellor has used as the benchmark for rises in the Autumn Statement. This change equates to a forecast increase in revenue of £7k, based on current levels of volume/demand.
24. **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 to the Council and to reflect commercial rates. Income has remained largely stable across these categories as most of this relates to the lease income from Logistics House.
  - *Strawberry Fields, Strawberry Meadows and Market Walk* – again, lease charges are negotiated on a case by case basis.

25. In July 2022 Executive Cabinet agreed the principle to increase rents at Primrose Gardens and Tatton by the rate of CPI plus 1%, with CPI based on the rate at September each year. That mirrors the guidance from central government on Social Rents which, although not a direct equivalent to the Council's housing, is a useful barometer. It is anticipated that a 7.7% rise would result in an increase in income to the Council of approximately £77.5k.
26. Some tenants would see rent increases matched by an uplift in Housing Benefit. An analysis of current tenants suggests that the majority would see rises either met partially or fully by Housing Benefit.

| <b>Primrose Gardens</b> | <b>Full HB</b> | <b>Partial</b> | <b>0% HB</b> | <b>Total</b> |
|-------------------------|----------------|----------------|--------------|--------------|
| <b>No. of Residents</b> | 34             | 7              | 24           | 65           |
| <b>% of Residents</b>   | 52%            | 11%            | 37%          | 100%         |

| <b>Tatton Gardens</b>   | <b>Full HB</b> | <b>Partial</b> | <b>0% HB</b> | <b>Total</b>   |
|-------------------------|----------------|----------------|--------------|----------------|
| <b>No. of Residents</b> | 31             | 4              | 8            | 43/62 Occupied |
| <b>% of Residents</b>   | 72%            | 9%             | 19%          | 100%           |

27. It is not proposed to increase service charge costs at these premises at this point in time as broadly they are in line with the costs incurred. In 2023/24 utility charges were increased to reflect rising costs. The service charge costs are reflective of the actual charges incurred; there is no element of surplus retained by the Council. By setting fixed charges, the tenants are sheltered from fluctuations in costs on an annual basis; should charges reduce however, then these will be passed back to the tenants by way of a reduced future charge. As a result, the Council bears the risk of inflationary increases above the rates charged.
28. Cotswold House rents and service charges have been reviewed in 2023/24 comparing the current budget to actual costs incurred to establish a more accurate charge. The rental and service charge figures are impacted by the annual pay award, increases in repairs and maintenance costs and in subsidised laundry costs. The service charge is reclaimable by tenants through Housing Benefit. The personal charge, which is non-reclaimable via Housing Benefit, is expected to decrease based on the forecast for the cost of water rates in 2024/25 which is lower than current charges. The result of the proposed changes at Cotswold, as detailed in the table below, will be a net increase in income of around £11.2k to the Council.

| <b>Split As</b>  | <b>Current Charges at Cotswold House</b> | <b>Revised Charges</b> | <b>% increase/ (reduction)</b> |
|------------------|--|------------------------|--------------------------------|
| Rent             | 195.50                                   | 201.49                 | 3.06%                          |
| Service Charge   | 95.72                                    | 102.92                 | 7.52%                          |
| <b>Sub-Total</b> | <b>291.22</b>                            | <b>304.41</b>          |                                |
| Personal Charge  | 26.34                                    | 22.79                  | (13.48%)                       |
| <b>Total</b>     | <b>317.56</b>                            | <b>327.20</b>          | 3.04%                          |

29. It is proposed to increase the Strawberry Fields service charge by £1 per square foot (as per last years fees and charges report) to reflect the fact that actual costs are in excess of the current charge. It has been clear since opening that the actual costs incurred are greater than the £7 per square foot initially charged to businesses (currently £8 and proposed to increase to £9 in 2024/25). As the building is almost fully occupied now, costs are better understood and as such, raising this charge will move us towards income levels reflecting 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. The current service charge report for 2022/23 reflects an actual cost per square foot of £13, although this is prior to the reconfiguration of office space that has taken place, and this cost should reduce when calculated at the end of 2023/24. The increase of £1 per square foot to the Strawberry Fields Service Charge will result in increased income of approximately £27.8k to the Council.
30. Allotments - It is proposed to increase the allotment rental charge as per the table below, with the main change being an increase of £12.80 for those allotments with water access (with a reduction of 50% for concessions), to reflect the increase in water costs associated with these sites. For those sites without water access, the proposal is to increase the fee by 6.7% in line other inflationary increases. This proposed charge increase will generate approximately £2k of additional income.

|                               | <b>Charge 2022/23</b> | <b>Charge 2023/24</b> | <b>Charge 2024/25</b> |
|-------------------------------|-----------------------|-----------------------|-----------------------|
| Full Rent (no water)          | £53.00                | £58.50                | £62.42                |
| Full Rent (sites with water)  | £60.80                | £63.80                | £76.60                |
| Concession (no water)         | £26.50                | £29.25                | £31.21                |
| Concession (sites with water) | £30.40                | £31.90                | £38.30                |

31. Garden waste - the recommended increase of £5.00 to £37.50 per subscription will generate an additional £125,000 of revenue for the Council; this equates to an increase of just less than 10p per week per subscription. The current charge in 2023/24 has been benchmarked against other Lancashire District and Unitary authorities as detailed below; this position could change however as all authorities will review their fees and charges for 2024/25 with several already indicating a proposed increase. The recommended fee of £37.50 per subscription would still mean that the fee charged by Chorley Council is average compared to authorities across the rest of the county.

| <b>Local Authority Garden Waste<br/>2023/24 Fees</b> | <b>£</b>     |
|--|--------------|
| <b>Chorley (25,000 subscribers)</b>                  | <b>32.50</b> |
| South Ribble   | 25.00        |
| Lancaster  | 41.00        |
| Wyre   | 35.00        |
| Burnley**  | 40.00        |
| Rosendale***   | 44.00        |
| Fylde  | 35.00        |
| Blackburn  | 40.00        |
| Preston  | 35.00        |
| Hyndburn   | 33.00        |
| West Lancs   | 30.00        |
| Pendle   | 41.00        |
| Blackpool  | 40.00        |
| Ribble Valley  | 0.00         |
|  |              |
| **£35 for further bins                               |              |
| ***£30 for further bins                              |              |

32. The current rate of fees and charges for Community Centres generate £80k of income to the Council but this is only a fraction of the costs incurred as the hire of these centres is heavily subsidised by the Council; the net budgeted cost to the council is £273k. The proposal is for a restructure of the charges into a single charging structure with a 50% discount for community groups, where the definition of community group is;

*A Voluntary led group/activity that provides a benefit to the local community. This could include but is not limited to voluntary led physical activity, peer support, life skills courses, training, children's activities, participative family events and social activities*

Given charges for some users are currently very low, it is anticipated that this change will have a significant increase relative to the current charge. Whilst this would generate additional income, there may be a reduction in the number of bookings and as such, it is difficult to be predict how much additional income the restructuring of charges will generate. A comparison of the current fees and charges and the proposed are highlighted in Appendix 4.

33. The recommendation is to increase the room hire fee for the Lancastrian by 6.7%. A recent costing exercise indicated that due to increases in rates of pay, as determined by the National Joint Committee for local government, the impact of these costs particularly around evenings and weekends, means that the cost of events is greater than the income generated. Whilst the fees do cover the variable costs of room hire, they have not increased sufficiently to cover other fixed staffing costs incurred. The Lancastrian room hire fee has not been subject to regular increases and as such, income has fallen behind costs. It is proposed to increase costs annually going forward and re-examine these to ensure the gap is bridged.

34. Other Licensing Fees, Housing and Pest Control fees and charges generate £35k of revenue. The proposal is for a restructure of the charges; the comparison of the current fees and charges to those proposed are highlighted in Appendix 3. Whilst it is anticipated that income levels will increase as a result of the changes and simplification of charges, the total income generated is not expected to be materially different overall.
35. In order to reflect costs across the services provided, it is proposed to decrease the charge for Liability Orders and to increase Summons charges; overall the amount charged for the service remains unchanged. The change will also mean that the charges at both Chorley Council and South Ribble Council will be consistent, this is relevant as the systems and resources involved in the process, and the costs of these, are shared.

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

36. 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**

37. N/A

### **Risk**

38. As detailed in the report.

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

39. The financial implications are contained within this report and the supporting appendices. A Summary Table is shown below.

| <b>Category of Fee or Charge</b>           | <b>Additional Income</b> |
|--|--------------------------|
| Cotswold Rent and Service Charges          | (11)                     |
| Strawberry Fields Rent and Service Charges | (28)                     |
| Extra Care Rent and Service Charges        | (76)                     |
| Garden Waste Collection                    | (125)                    |
| Lancastrian                                | (1)                      |
| Allotments                                 | (2)                      |
| General Increase of 6.7%                   | (8)                      |
| <b>Total</b>                               | <b>(251)</b>             |

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

40. The Monitoring Officer has no concerns with the proposed way forward outlined in this report. In terms of the fees referred to in the paper, 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)

Appendix 3 - Comparison of current and proposed other licensing, housing and pest control

Appendix 4 - Comparison of current and proposed community hire charges

| Report Author:  | Email:  | Telephone: | Date:    |
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