

Report of	Meeting	Date
Director of Policy & Governance	Council	27 February 2018

## **FEES & CHARGES POLICY AND A REVIEW OF FEES & CHARGES FOR 2018/19**

### **PURPOSE OF REPORT**

1. To create a fees and charges policy (attached as appendix 1) for Chorley Council that creates a framework for revising current fees and charges as well as guide to introducing new charges.
2. 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 2018/19 onwards.

### **RECOMMENDATION(S)**

3. This report asks Council to approve:
  - A fees and charges policy (attached as appendix 1) for the Council's discretionary fees and charges
  - Amendments to the Council's current fees and charges to be implemented as at 1st April 2018
  - Increases in the Council's 2018/19 income budgets
4. This report asks Council to note the full list of fees and charges given in Appendix 3 of this report. This will be adjusted with any approved changes to the schedule of fees agreed in this report.

### **EXECUTIVE SUMMARY OF REPORT**

5. The council does not have a fees and charges policy and therefore does not have a framework for reviewing the services it charges for including the possible introduction of new fees and charges.
6. A new fees and charges policy has been created to ensure fees are reviewed frequently and consistently. Finance will lead on the review every year alongside service managers and directors. A review of fees and charges will be submitted annually to January Executive Cabinet. The fees and charges policy can be found in appendix one of this report.
7. The 2018/19 review of fees and charges has identified four potential areas to increase fees and charges. These are summarised in table one with further detailed analysis given in appendix two of this report. It is forecast that increasing charges as proposed could generate an additional £50k per annum and bring the cost of providing the services and income generated closer together. This has the effect of reducing or eliminating the council tax payer's subsidy to these services so instead council tax can fund other priority service areas.

<b>Confidential report</b> Please bold as appropriate	Yes	No
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<b>Key Decision?</b> Please bold as appropriate	Yes	No
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### **REASONS FOR RECOMMENDATION(S)** **(If the recommendations are accepted)**

8. The council requires a framework for reviewing and amending fees and charges so that reviews are conducted frequently and consistently. A new framework will also assist the council when considering the introduction of new charges.
9. 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**

10. To continue without a fees and charges policy could result in fees and charges not being regularly reviewed such that services are over or under charged for.
11. Without a regular review of fees and charges, new opportunities to introduce new services and charges may be missed.

### **CORPORATE PRIORITIES**

12. 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 communities		An ambitious council that does more to meet the needs of residents and the local area	✓

### **BACKGROUND**

13. 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.
14. A corporate led review of fees and charges has never been undertaken at Chorley Council. The current approach to amending fees and charges is usually conducted independently by each service as and when it is required. Many charges have not been reviewed for years despite inflationary increases in the cost of delivering services.
15. The Council continues to experience large reductions in funding; the 2017/18 Medium Term Financial Strategy (MTFS) identifies a £3m budget gap by 2019/20. The MTFS identifies Chorley Council's commitment to generating income streams to help meet this funding challenge.
16. Unlike other councils across the country, Chorley Council does not have a definitive list of all the fees and charges it makes to its residents and service users. Fees and Charges that are publicised can be hard to access, are in different formats and can be out of date.

17. It is important that decisions are made consistently and adhere to the principles which are laid out in the fees and charges policy, attached in appendix one.

## **FEES AND CHARGES POLICY**

18. The new fees and charges policy is attached in appendix one. The aims of the policy are to provide a consistent framework for the review of the council's current fees and charges as well as guidance to introducing new charges.
19. The policy introduces some key principles of which two principles are not always achievable simultaneously:
- Fees and charges should be set to assist the Council in achieving its **strategic priorities**. Services must raise income wherever there is a duty to do so, and should raise income wherever there is a power to do so, unless the introduction of a charge would prohibit the achievement of specific corporate and service objectives.
  - In line with **legislation**, fees and charges should be set to **recover full costs including overheads**. Where the service user is subsidised by tax payer this should be transparent and the reasons for this subsidy is made explicit.
20. All charges within the Council's control should be reviewed on an annual basis where it permissible and efficient to do so. The Council's finance team will lead on the review in consultation with service managers and directors.
21. The review must be approved by Executive Cabinet prior to the Council's budget being approved at Special Council. It is proposed that a review of fees and charges will be taken annually to Executive Cabinet in January alongside the draft budget report. This will be after the approval of the Council's Corporate Strategy therefore ensuring that fees and charges are consistent with the strategy.
22. If the review includes the introduction of new charges the report must be approved by Full Council.

## REVIEW OF FEES AND CHARGES 2018/19

23. As outlined in the Council's Fees and Charges Policy, fees and charges should be reviewed annually to ensure the charges are aligned with corporate priorities as well as meeting the cost of providing the service.
24. The review of charges for 2018/19 will seek to examine as many fees as possible however not all charges the Council makes will be reviewed this year. The table below gives a summary of the fees outside the scope of this year's review, the reasons why and when they will be reviewed.

Fee	Reason for Exclusion	Expected Review
Car Parking	The amended car park strategy approved in Nov 2016 set car park tariffs for 17/18 and 18/19.	19/20
PCN	Penalty Charge Notices are set nationally	N/A
Licensing & Enforcement	The restructure of the enforcement service will present an opportunity to review the point at which licensing and enforcement services are delivered.	18/19
Planning	Planning fees set nationally	N/A
Building Control	Fees, in agreement with South Ribble Borough and Preston City Councils, have been set in August 17 with an average increase of 6%	19/20
Garden Waste Subscription	Charges were set in 17/18 and are not proposed to be changed in 18/19 as the process of subscribing to the scheme continues to be refined in its second year.	18/19
Health & Wellbeing Activities	Will be considered as part of a separate review of the service	18/19
Astley Hall	This is being reviewed as part of a separate piece of work relating to the Astley 2020 project	18/19
Use of Council Buildings	The use of the council's buildings is being reviewed as part of the Worksmart programme	19/20
Land Charges	The Infrastructure Act 2015 provides for the transfer of responsibility for Local Land Charges from local authorities to Land Registry. This is a phased approach that may begin in 18/19.	18/19

25. The fees and charges that have been reviewed are outlined below in table 1. If the proposals to increase fees are approved it is estimated to increase income to the Council of £50k whilst bridging some of the gaps between income and the cost of service provision.

**Table 1: Summary of the Proposed Changes to Current Fees and Charges for 2018/19**

Service	Last Review	2018/19				Proposal
		Income Budget	Proposed Budget Increase	Revised Budget	Cost of Service	
Bereavement Services	2014/15	£90,000	£15,400	£105,400	£136,000	Increase some charges to match the average charge across Lancashire and bring income closer to the cost of delivery.
Geographical Information Services*	2014/15	£14,000	£9,000	£23,000	£23,000	Increase charges to bring income in line with the cost of delivery.
Civic Amenity Collection	2014/15	£30,000	£13,300	£43,300	Built into Waste Contract	Increase bulky waste collection for 1 item to £20 and up to 5 items to £40, this now includes electrical equipment.
Community Centres	2011/12	£48,000	£12,500	£60,500	£235,000	Community centre charges to be inflated by 3.9% and income budgets aligned with 2017/18 forecasts
<b>TOTAL</b>		<b>£572,000</b>	<b>£50,200</b>	<b>£637,200</b>		

- Charges include street & house name and numbering

### Bereavement Services

26. It is proposed to increase the charges for the bereavement service to assist in bringing income in line with the cost of providing the service. The changes will mean charges are aligned more closely with the charges across Lancashire district councils. See appendix two of this report for more details.
27. The Council will implement a phased approach to increasing charges with further increases in 2019/20 to bridge the gap between cost of provision and income received. It should be noted that charges have not been reviewed or changed since 2014/15.
28. Changes to bereavement service fees also include the proposed waiver of any interment charges for those 16 and under, this would include the £28 for the interment of a stillborn or aged one month or under.

### Geographical Information Services

29. The service charges for the naming, renaming and numbering of streets, roads and houses. These fees are in most cases incurred by the developers of housing sites. These charges have not been reviewed since 2014/15 and are below charges made by some of the neighbouring councils.
30. It is proposed to increase charges so that the cost of delivering this service is fully met and therefore no subsidy is provided by the council tax payer. See appendix two of this report for more details.

### Civic Amenity Collection

31. The council currently charges £17.50 for the collection of one bulky item and £31.50 for up to five items. In addition, waste electrical and electronic equipment is currently collected free of charge.
32. It is proposed to increase the charges for one item to £20 and up to five items to £40. In addition waste and electrical equipment will no longer be collected free of charge and instead be treated as bulky waste collection. This is expected to generate an additional £8k income. Charging in this manner would mean Chorley Council's charges are aligned with the some of the highest charges in other Lancashire districts. Appendix two of this report provides further details.
33. The income budgets for civic amenity collection have been reviewed and compared to current forecast outturn. It has been concluded that additional income of £5k can now be brought into the budget relating to continued services provided by the Council to United Utilities and LCC. These include the use of waste vehicles to assist with smart meter readings and waste services.

### Community Centres

34. The cost of providing services from community centres is £235k compared to income collected for their use of £48k. It is recognised that the centres provide many key services that meet the council's corporate priorities including:
  - Enabling residents to play an active role in their community through providing a meeting point for local groups and third sector organisations.
  - Improving access to services as an outreach point for health and wellbeing sessions, family support and young people's services.

- Improving digital inclusion through the provision of IT sessions in the community centre's IT Hubs.

35. As such, to increase the charges at the centres to meet costs would result in it being prohibitively expensive to run these key services. However a review of the charges in the centres has given rise to a number of issues and actions.

Issue	Action	Timescale
Fees have not been changed since 2011/12	Increase fees for 2018/19 in line with inflation at 3.9%	Implement April 2018
Income budgets do not match forecast outturn in each of the centres	Revise income budgets for 2018/19	Implement April 2018
Some additional services are not covering the cost of delivery including children's parties and charges to nurseries.	These services will be reviewed to decide whether fees should increase and whether services can be delivered at lower cost.	Review during 18/19
Different levels of discounts are given to different groups using the centre. These have not been reviewed for years	Review the level of discounts each group receives and model the likely impact of simplifying the discounts to make them more transparent and easier to administer.	Review during 18/19

36. A review of the income budgets has resulted in these budgets being more closely aligned with forecast income, generating £10,000 additional income. This £10k adjustment does not affect the level of charges or services provided from the centres.
37. It is proposed to increase all fees and charges at the community centres in line with the increases in RPIX. This will increase all charges by 3.9% as at 1 April 2018. This is budgeted to increase income by £2,500 and go some way to bridging the gap between service costs and income.
38. A review of community centres will be undertaken by the Health and Wellbeing service, with support from finance, in 2018/19 to better understand the usage of the centres and the level of subsidy that is provided to each type of group that uses them. It is expected that through this review the Council can implement better targeted bookings, increase the usage of the centres and increase income levels.

### **Fees that have been reviewed are not proposed to be changed**

#### Council Tax/NNDR Summons and Liability Orders

39. A review of the charges for Council Tax and NNDR Summons and Liability Orders found that charges are in line with the cost of delivery and should therefore not be increased,

#### Allotments, Playing Pitches and Bowling Greens

40. An analysis of these services indicates that increasing or introducing charges would be either generate negligible additional income or be prohibitively expensive to enforce.

## NEXT STEPS

41. Any approved proposed changes to fees and charges will be actioned as at 1<sup>st</sup> April 2018. The council's fees and charges are predominately advertised on the Council's website. As such these will be amended for April 2018. Services will be notified well in advance to ensure all new invoices in 2018/19 are brought in line with the new charges.
42. The exhaustive list of fees and charges given in appendix three will be updated and uploaded to the Council's website.
43. Separate integrated impact assessments have already been undertaken for each of the changes proposed in this report and attached to this report.

## IMPLICATIONS OF REPORT

44. 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

45. 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 2018/19 ready for the final approval of the budget at Special Council on 27 February 2018.

## COMMENTS OF THE MONITORING OFFICER

46. The production of a single fees and charges policy will promote transparency in relation to both the level of charges and approaches to reviewing them and should therefore be encouraged. Any review procedures must recognise the statutory nature of some of these charges and the limitations that may follow as a result.

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There are no background papers to this report.

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