

## FEES AND CHARGES REPORT 2020/21

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| <b>Head of Service/Contact:</b>                 | Lee Duffy, Chief Finance Officer                     |
| <b>Urgent Decision?(yes/no)</b>                 | No   |
| <b>If yes, reason urgent decision required:</b> | N/A  |
| <b>Annexes/Appendices (attached):</b>           | <b>Annex 1 - Fees and Charges Schedule 2020/21</b>   |
| <b>Other available papers (not attached):</b>   | Budget Targets Report and Minutes, 24 September 2019 |

### Report summary

This report recommends fees and charges for which this Committee is responsible, with the new charges being effective from 1 April 2020.

### Recommendation (s)

That the Committee:

- (1) **Authorises the Chief Finance Officer to vary fees and charges for items generating income under £1,000 per annum and/or for one-off services or items;**

And, subject to the approval of Council:

- (2) **Agrees the fees and charges for 2020/21 as set out at Annex 1.**

### 1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 As set out in the revenue estimates report on this agenda.

### 2 Background

- 2.1 The Council will meet to agree the budget, including estimates of income and expenditure, on 13 February 2020. To enable the budget to be finalised, the Policy Committees are asked to recommend fees and charges covering the services for which they are responsible.

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- 2.2 The fees and charges presented in this report are discretionary charges only. For discretionary charges there is scope to generate additional income, to reduce any subsidy of the service or to contribute to an improved budget position.
- 2.3 There are a number of charges set externally that the Council has no power to alter. This restricts the Council's ability to raise additional income and therefore the fees and charges set by statute are not presented to this Committee for approval.
- 2.4 The budget guidelines agreed by Strategy and Resources in September 2019 included an overall increase in revenue from discretionary fees and charges of 3%. The guidelines also anticipate that additional income may be generated to contribute to the required savings target.
- 2.5 When preparing estimates, fees and charges have been reviewed by service managers and any negative impact on demand anticipated by increased charges has been considered.
- 2.6 Members should refer to the estimates report on this agenda for an overview of the Committee's budget position.
- 2.7 In January 2018, to reflect changes to the Council's management structure, the Committee agreed that the Chief Finance Officer should have delegated authority to vary fees and charges for items generating income under £1,000 per annum. The Committee also agreed that this officer be permitted under delegated authority to set charges for one off services or items not included in the fees and charges schedule.

### 3 Proposals

- 3.1 The proposed fees and charges for 2020/21 are set out at **Annex 1** to this report. The main variations in fees and charges for each service area outside the range of an increase between 3% and 5% are set out below:

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### **3.1.1 Playhouse**

No increases to membership fees are proposed, pending the introduction of a revised membership scheme in 2020/21 as part of the Scrutiny Review.

### **3.1.2 Bourne Hall**

Community Hire Rates have been aligned to ensure consistency between hourly and daily rates. The Rose Room, Studio Room, Azalea Room, Begonia Room and Camelia Room day rate calculation brings it in line with all other day rates for our hirers. Peak and Off-Peak rates have also been removed to create a standard annual charge. The Large Room hourly booking rate combines the historic off peak and peak rates to provide one consistent rate. These updated fees will not adversely impact revenue.

The Delegated Pricing Authority procedure can also be utilised to negotiate rates. Negotiation with a hirer commences after quotation of the published rates. The Site Manager may offer a discount after negotiation of up to 20%. Any discounts required above the Site Manager's threshold must be discussed with the Line Manager before a discount is offered. The booking cannot be confirmed until the discount authorisation has been appropriately authorised.

The exhibition gallery is in need of some refurbishment and in order to retain clients whilst evaluating the introduction of an upgraded gallery system, no increase in the hire charge is proposed. However, to encourage the local community to take advantage of a pop-up event facility, a new charge for the hire of Foyer B has been introduced.

### **3.1.3 Parks**

To regularise the use of parks and open spaces, a new fee has been introduced for commercial outdoor fitness classes in the borough. The proposed fee for 2020/21 starts at £300 per annum for classes that occur once a week, to cover the cost of administration and to make a small contribution to the general upkeep of our green spaces. For classes that occur more regularly, the annual fee increases to £750 for usage of 2-4 times per week, and to £1,200 for usage of 5-7 times per week, as shown at Annexe 1.

### **3.1.4 Local Nature Reserve**

No increases are proposed to the fees for annual guided walks as officers consider that the modest charge maintains participation.

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### **3.1.5 Sports Pitches**

An increase of 1% is proposed for the Bowling home ground agreement due to the reduced number of members at the club.

### **3.1.6 Community & Wellbeing Centre**

An increase of £4.50 is proposed for bathing services at the centre to reflect the cost of providing this service. For those in receipt of benefits, a lower increase of £2 is proposed.

Charges for Extra Support Day Care sessions have not been increased in order to encourage uptake of the service.

Room hire charges where caretaking is required have been increased to reflect the cost of providing the service.

### **3.1.7 Community Services**

#### Community Alarm

No increase is proposed to Community Alarm monthly standard and mobile phone unit charges as current charges represent market rates and officers consider that an increase in price per unit would have an adverse effect on customer volume.

#### Shopping Service

To remain competitive with the current market no increase to charges are proposed.

#### Transport from Home

In recent years there has been a decline in the use of this service, so in order to retain client levels and remain competitive in the market, officers are proposing an increase of 1.7% for Dial-a-ride return fares.

#### Shopmobility

As there have been substantial increases in charges in recent years, it is proposed that the charges remain unchanged for 2020/21 in order to maintain client numbers.

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### 3.2 Disabled Facility Grant Fees

The Council has a statutory duty to operate a Disabled Facilities Grant Scheme, funded by central Government. Over recent years this role has become more complex, with a broader remit than previously, involving multi agency working and a wide variety of assistance required by clients. To reflect the officer time and general administration costs incurred as a result of this work, it was agreed last year that the Council should charge fees to the fund. As these fees are charged on a cost recovery basis, no increases are proposed.

The proposed fee structure for 2020/21 is as follows:

**Mandatory Grants**: These are provided to enable adaptations to allow residents access to essential facilities within and around the home.

|  |                             |  |
|--|-----------------------------|--|
| Minimum fee charge   | £300                        | e.g. level access showers / stair lifts  |
| Works up to £30k   | 10%                         |  |
| Works between £30k-£45k<br>Fees capped at maximum works level £45k | 7.5%                        | e.g. ground floor extensions to provide downstairs wetroom/bathroom facilities   |
| Aborted works:<br>Pre-tender stage                                 | £300                        | Works may be aborted where an applicant's level of need has changed significantly since receipt of the original Occupational Therapist's report, or where the applicant has passed away. |
| Post-tender stage<br>depending on grant value<br>Limited at £45k   | 10%/7.5%<br>of 70% of works |  |

#### **Discretionary Grants (funded through DFG allocation)**

e.g. Installation of galvanised (outdoor) handrails or measures to address thermal discomfort, e.g., replacement windows and heating.

|                                   |                             |
|-----------------------------------|-----------------------------|
| Minimum fee charge                | £150                        |
| All works                         | 10%                         |
| Aborted works<br>Pre-tender stage | £150                        |
| Post tender stage                 | 10% of 70% of cost of works |

#### **Handyperson Grants**

These are grants made for small odd jobs such as garden clearance and bathroom grab rails. To reflect the typical circumstances of clients in receipt of these grants, no fee is applied.

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### 4 Financial and Manpower Implications

- 4.1 The impact of the proposed fees and charges for services in 2020/21 is set out below.
- 4.2 The table sets out the original additional income target as per the Medium Term Financial Strategy in the first column.
- 4.3 The second column presents additional income anticipated from the changes to tariffs proposed in the appendix to this report, on the assumption that current utilisation levels continue.
- 4.4 The third column shows changes to income budgets for fees and charges that are not related to changes to tariffs. Examples will be changes to customer numbers or where a new fee or charge has been introduced.
- 4.5 The last column sets out the difference between the 3% budget target increase and the final income budget, which incorporates changes to both tariffs and volumes.

|                              | Increase in Income Budget Target (3%)<br>£'000 | Total Increase or (Decrease) due to changes to Tariffs<br>£'000 | Variations resulting from changes to volumes<br>£'000 | Variation between Target and total change<br>£'000 |
|------------------------------|--|---|---|--|
| Community & Wellbeing Centre | 4  | 4   | 0   | 0  |
| Higher Needs Service         | 1  | 0   | 1   | 0  |
| Community Services           | 14   | 15  | 0   | 1  |
| Parks & Open Spaces          | 5  | 7   | 5   | 7  |
| Allotments                   | 1  | 1   | 0   | 0  |
| Playhouse                    | 6  | 6   | 0   | 0  |
| Venues                       | 9  | 9   | 0   | 0  |
| <b>Total</b>                 | <b>40</b>                                      | <b>42</b>   | <b>6</b>  | <b>8</b>   |

- 4.6 The charges proposed will generate an additional estimated income of £42,000. This has been taken into account in the budget to be presented to the Council next month.
- 4.7 Overall, the effect of increased charges and changes to volumes is that Community & Wellbeing Committee has exceeded the targeted budgeted income from fees and charges for 2020/21 by £8,000.

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4.8 The revised level of income has been included in the medium term financial strategy to help towards a balanced budget over the next four years. A detailed breakdown of the 2020/21 budget can be found in the budget report included on this agenda.

4.9 **Chief Finance Officer's comments:** All financial implications are included within this report.

### **5 Legal Implications (including implications for matters relating to equality)**

5.1 There are no specific issues arising from this report but the Council's resources will need to be applied to ensure that it fulfils its statutory obligations and delivers its policy on equalities.

5.2 **Monitoring Officer's comments:** None for the purposes of this report.

### **6 Sustainability Policy and Community Safety Implications**

6.1 None for the purposes of this report.

### **7 Partnerships**

7.1 None for the purposes of this report.

### **8 Risk Assessment**

8.1 Income from services remains at risk due to the state of the economy. Charges have been set taking into account market conditions.

8.2 The continued delivery of Council services is dependent upon income generation, creating a risk to service delivery if charges are not set at levels that make a significant contribution to the Council's finances.

### **9 Conclusion and Recommendations**

9.1 This report proposes new fees and charges for services with effect from 1 April 2020.

9.2 The impact of changes in fees and charges has been estimated and incorporated into the Committee's budget estimates for 2020/21. If lower charges are agreed the Committee will be required to identify cost savings to enable the Council to meet its overall budget target.

**Ward(s) Affected:** (All Wards);