

FEES AND CHARGES REPORT

Head of Service:	Lee Duffy, Chief Finance Officer
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Appendices (attached):	Appendix 1 – Fees and Charges Schedule 2021/2022

Summary

This report recommends fees and charges for which this Committee is responsible, with the new charges being effective from 1 April 2021.

Recommendation (s)

The Committee is asked to:

- (1) **Authorise 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 2021/22 as set out at Annex 1.**

1 Reason for Recommendation

- 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 16 February 2021. 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.
- 2.2 The current pandemic and economic climate creates uncertainty and difficulties for budget setting. For consistency the assumptions in the Medium Term Financial Plan have been applied to budget targets, including the annual uplift to fees and charges.

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- 2.3 Should income shortfalls occur as a result of Covid-19 in 2021/22, the draft budget includes a £950,000 central provision to mitigate such losses. Furthermore, MHCLG have announced that its Sales, Fees and Charges Income Support Scheme will continue to June 2021. Under this scheme, central government provides Councils with compensation to cover a proportion (circa 71%) of budgeted net income shortfalls caused by Covid-19.
- 2.4 The budget guidelines agreed by Strategy and Resources in September 2020 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 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.
- 2.6 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.
- 2.7 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.
- 2.8 Members should refer to the estimates report on this agenda for an overview of the Committee's budget position.
- 2.9 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 Risk Assessment

Legal or other duties

3.1 Impact Assessment

- 3.1.1 Increased fees and charges could have a negative effect on take up for some service areas. Managers have been asked to apply realistic increases to avoid this.
- 3.1.2 The return of customers to facilities re-opening following closure during the pandemic may be gradual. This could result in reduced revenue from fees and charges initially, although mitigations for this are outlined at paragraph 2.3.

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3.2 Crime & Disorder

3.2.1 None for the purposes of this report.

3.3 Safeguarding

3.3.1 None for the purposes of this report.

3.4 Dependencies

3.4.1 None for the purposes of this report.

3.5 Other

3.5.1 None for the purposes of this report.

4 Proposals

4.1 The proposed fees and charges for 2021/22 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:

4.1.1 Playhouse

No increases to membership fees are proposed, pending the introduction of a new Loyalty Scheme.

4.1.2 Ewell Court House

Charges for advance bookings for subsequent years are not generally included in the annual schedules. It is proposed that these be charged at the current year cost plus approximately 3% per annum, representing the inflationary increases incorporated in the Medium Term Financial Strategy.

4.1.3 Local Nature Reserve

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

4.1.4 Community & Wellbeing Centre

Charges for Extra Support Day Care sessions have not been increased in order to remain competitive, whilst encouraging and growing the service.

4.1.4 Community Services

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Community Alarm

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

Shopping Service

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

Shopmobility

As there have been substantial increases in charges in recent years, it is proposed that the charges remain unchanged for 2021/22 in order to maintain client numbers.

4.2 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 in 2018/19 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 2021/22 is as follows:

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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 in excess of £30k Fees capped at maximum works the Policy permits the Council to fund	7.5%	e.g. ground floor extensions to provide downstairs wetroom/bathroom facilities
Aborted works: 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 depending on grant value Limited at £45k (or higher as Policy determines_	10%/7.5% 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 Pre-tender stage Post tender stage	£150 10% of 70% of cost of works

Handyperson Grants

e.g., small odd jobs such as garden clearance and bathroom grab rails.
No fee applied.

5 Financial Implications

- 5.1 The impact of the proposed fees and charges for services in 2021/22 is set out below.
- 5.2 The table sets out the original additional income target as per the Medium Term Financial Strategy in the first column.
- 5.3 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.

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- 5.4 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.
- 5.5 *For budget purposes volumes going forward have been kept constant as accurate predictions of changes in utilisation of services is very challenging in changing circumstances. However, where there have been underlying downturns in prior year customer volumes these are shown in the third column of the table below. The negative variations reflect an ongoing reduction in client numbers using the Routecall service (32.5%), and lower take up of hairdressing services (19%) and lettings income (4.5%) at the Community and Wellbeing Centre.
- 5.6 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.

5.7	T	Target Increase in Income Budget (3%) £'000	Total Increase or (Decrease) due to changes to Tariffs £'000	Variations resulting from changes to volumes £'000 *	Variation between Target and total change £'000
	Community & Wellbeing Centre	4	4	-4	-4
	Higher Needs Service	1	1	0	0
	Community Services	13	-4	-26	-43
	Parks & Open Spaces	6	6	0	0
	Allotments	0	0	0	0
	Playhouse	13	13	0	0
	Venues	12	12	0	0
	Total	49	32	-30	-47

he charges proposed will generate an additional estimated income of £32k. However, the increased charges are expected to be offset by reduced volumes, meaning that Community & Wellbeing Committee income budgets are lower than the targeted budgeted income from fees and charges for 2021/22 by £47k.

- 5.8 The revised level of income has been included in the medium term financial strategy to contribute towards a balanced budget over the next four years. A detailed breakdown of the 2021/22 budget can be found in the budget report included on this agenda.
- 5.9 **Section 151 Officer's comments:** All financial implications are included within this report.

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6 Legal Implications

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

7 Policies, Plans & Partnerships

Council's Key Priorities: The following Key Priorities are engaged:
Effective Council – Engaging, responsive and resilient Council

- 7.1 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 7.2 **Climate & Environmental Impact of recommendations:** No specific implications.
- 7.3 **Sustainability Policy & Community Safety Implications:** No specific implications.
- 7.4 **Partnerships:** None for the purposes of this report.

8 Background papers

8.1 The documents referred to in compiling this report are as follows:

Previous reports:

- Budget Targets Report October 2020

Other papers:

- Budget Book 2021/22