



Title	Fees and Charges 2020/21
For further information about this report please contact	Andy Crump (01926 456810) Andrew Rollins (01926 456013)
Wards of the District directly affected	N/A
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No
Date and meeting when issue was last considered and relevant minute number	
Background Papers	Executive 26 September 2018 - Fees and Charges 2019/20

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	
Equality Impact Assessment Undertaken	Yes/No (If No state why below)

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive		
Head of Service	23/8/19	Mike Snow
CMT	30/8/19	
Section 151 Officer	23/8/19	Mike Snow
Monitoring Officer	30/8/19	Andrew Jones
Finance	23/8/19	Finance Report
Portfolio Holder(s)		Councillor Hales
Consultation & Community Engagement		
Local Business Groups and Town Councils have been updated on the proposed parking charges.		
Final Decision?	Yes	
Suggested next steps (if not final decision please set out below)		

SUMMARY

- 1.1 The report details the proposals for discretionary Fees and Charges in respect of the 2020 calendar year. It also shows the latest Fees and Charges 2019/20 income budgets, initial 2020/21 and the actual out-turn for 2018/19.

2. RECOMMENDATIONS

- 2.1 Executive recommends to Council the Fees and Charges proposals set out in Appendix A, to operate from 2nd January 2020 unless stated otherwise.
- 2.2 That Executive recommends to Council that provided the changes proposed by Everyone Active to the core products and prices from January 2020 are within the September RPI, that the Heads of Culture and Finance, in consultation with the relevant portfolio holders (Cllrs Grainger and Hales), can accept the changes.

3. REASONS FOR THE RECOMMENDATION

- 3.1 The Council is required to update its Fees and Charges in order that the impact of any changes can be fed into the setting of the budget for 2020/21. Discretionary Fees and Charges for the forthcoming calendar year have to be approved by Council.
- 3.2 In the current financial climate, it is important that the Council carefully monitors its income, eliminates deficits on service specific provisions where possible and therefore minimises the forecast future General Fund revenue deficit.
- 3.3 Some additional fees have been created to generate additional income for the service areas concerned and others in response to new legislation. (Animal Welfare – boarding, pet shops, hiring of horses), Bowls (Commonwealth Games related). These are highlighted in Appendix A and also in paragraphs 11.4, 12.4, 12.5 and 13.1. Other charges have been deleted due to legislation changes or changes in the way the service is provided. A 2% increase in Fees and Charges income has been allowed for in the Medium Term Financial Strategy (MTFS). Budget Managers have been tasked with seeking to achieve additional income of 3%.
- 3.4 The Regulatory Manager has to ensure that licensing fees reflect the current legislation. The fees charged should only reflect the amount of officer time and associated costs needed to administer them. New fees are also being proposed to cover new responsibilities.
- 3.5 Bereavement – new cremation fees are proposed to meet potential new or differing customer requirements.
- 3.6 Land Charges and Building Control fees are ring fenced accounts: Income levels for Land Charges have reduced due to the transfer of the LLC1 fee to the Land Registry Service. There has been a corresponding fall in staffing costs and payments to WCC to reflect this. Income and expenditure is carefully monitored to avoid creating a large surplus (or deficit) on the Land Charges Control Account, which should break even.

Building Control is subject to competition from the private sector and has to set charges that are competitive with this market.

- 3.7 Management of the Council’s Leisure Centres is now by Everyone Active. The contract definition states that ‘The Contractor shall review the (following) core products and prices each year and submit any proposed changes to the Authority for approval (the “Fees and Charges Report”)’. Everyone Active are expected to request an increase on some of these prices in line with the Retail Prices Index (RPI). The current prices for the core products and prices are shown at Appendix B. Previously, when the leisure centres were operated by the Council, most years the charges were increased by around RPI. It is recommended, that provided the changes proposed by Everyone Active to the core products and prices are within the September RPI, that the Heads of Culture and Finance, in consultation with the relevant portfolio holders, can accept the changes. In reviewing the proposed increases, officers will consider previous years increases to avoid automatic year on year increases in prices.
- 3.8 Not all of the new parking locations, that were being opened for the proposed closure of Covent Garden car park, have come into operation, due to the delay in the closure of Covent Garden (although extra spaces have been created at Court Street, Bedford Street and Chandos Street). However, Riverside House has been opened at weekends to provide additional parking for the town. Consideration is being given to the introduction of free parking for electric vehicles in council car parks. This will be subject to a future report to the Executive, which should include details of how this will be funded.

4. **POLICY FRAMEWORK**

4.1 **Financial Strategy**

This report is in accordance with the Council’s Financial Strategy as last approved by the Executive in February and the proposed increases outlined in the Budget Review Report in August 2019.

4.2 **Fit for the Future**

“The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council’s FFF Strategy.”

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met	<u>Intended outcomes:</u> Area has well looked after public spaces	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres

Impressive cultural and sports activities Cohesive and active communities	All communities have access to decent open space Improved air quality Low levels of crime and ASB	Improved performance/ productivity of local economy Increased employment and income levels
Impacts of Proposal		
Fees and Charges provide income towards the cost of providing excellent services which support, for example, health, sporting and cultural activities for which this District is renown.	The introduction of Environmental Enforcement charges will ensure that litter, fly tipping etc. is reduced, making open spaces more attractive to residents and visitors.	Markets help to contribute to our vibrant town centres and this is taken into account when stall charges are set. The Enterprise team is active in encouraging local employment.
Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
Impacts of Proposal		
<i>None</i>	Generating income ensures services can invest in modern processes and equipment to meet customer needs and provide the service in an efficient and effective way.	This has always been one of the key drivers of the fees and charges process and this continues to be the case.

4.3 Community Engagement

- 4.3.1 Local councils and Chamber of Trades have been consulted as part of the Fees and Charges process with regard to the proposed parking charges. Some fees are only meant to cover the cost of providing the service and these are reviewed on a regular basis and the cost recovery analysis is available to the user if required.

4.4 Changes to Existing Policies

4.4.1 There are no changes proposed to existing policies.

4.5 Impact Assessments

4.5.1 The impact of Fees and charges (and possible increases) are assessed by Service Area managers, with concessions offered to ensure all residents are able to access these services, if required.

5. BUDGETARY FRAMEWORK

5.1 The Council's Medium Term Financial Strategy assumes an increase of 2% in income from discretionary fees and charges for 2020/21. Budget Managers have been tasked with seeking to achieve additional income of 3%. This is intended to make a contribution towards the savings that council needs to make in its overall budget over future years.

5.2 The 2% additional income within the MTFS equates to £118,100. The actual estimated increase from the charges proposed within this report is some £326,100, meaning, potentially, additional income of £208,000 to be incorporated into the MTFS. This excludes the additional income from certain the ring fenced charges (Building Control, Cemetery surcharge, Licensing and Land Charges).

5.3 The above projected income levels assumes a fall in income from Covent Garden Car Park for 2019/20 and 2020/21. When a decision is made about the redevelopment of the Covent Garden site and the closure of the car park during this period, there will be a period when there is no income for this car park. The reduced income is likely to affect several years. The Car Park Displacement Reserve, created in July 2018, has been used to create additional parking in Court Street and Riverside House (other proposals did not receive planning permission). When members are asked to confirm the Covent Garden redevelopment, funding from the parking reserve to make good the income shortfall may also be sought from members.

5.4 The revenue effects of the proposed Fees and Charges are summarised in the following table (ring fenced accounts have been removed).

	Actual 2018/19	Original Estimate 2019/20	Latest Estimate 2019/20	Estimate 2020/21	Change 2019/20 Original to 2020/21
	£	£	£	£	
GENERAL FUND SERVICES					
Chief Executive's Office	42,300	45,000	45,000	45,000	0.0%
Culture	209,800	206,000	209,600	212,500	3.16%
Development	361,100	367,900	368,200	378,700	2.94%
Health & C.P.	2,884	4,800	3,700	6,300	31.25%
Housing	84,800	84,800	84,800	84,800	0.0%
Neighb'rhood	5,076,600	5,196,600	5,164,900	5,503,900	5.91%
TOTAL GENERAL FUND SERVICES	5,777,547	5,905,100	5,876,200	6,231,200	5.52%
HOUSING REVENUE ACCOUNT					
Housing	434,000	433,700	433,700	453,700	
Ring-fenced Accounts					
Land Charges/B Control	886,049	981,000	947,200	951,000	
Health & Community Protection	219,037	216,800	218,300	225,400	
Burial Rights			13,400	13,400	
Reserve Account					
Parking			100,000		

5.5 Increased income from Fees and Charges will reduce the net cost of General Fund Services to the Council Tax Payer and seek to generate income to cover the costs of the provision of respective services. Any increases above the 2% per annum assumed within the Strategy will

reduce the ongoing savings target. Anything below the 2% will increase the savings target.

- 5.6 The current forecasts for 2019/20 and 2020/21 will be reviewed within both the Base Budget Report (November) and Budget setting Report (February 2020). Managers will also continue to review their projections on a monthly basis.

6 RISKS

- 6.1 Increasing prices could deter usage where the take up is discretionary. Customers may choose to use the service less frequently or use an alternative supplier where one is available.
- 6.2 An inflationary increase has been assumed within the Council's Medium Term Financial Strategy for increases to discretionary fees and charges. However, inflation may prove to be higher than this in 2020, with the Council's costs of providing the service increasing more than inflation.
- 6.3 Future economic changes cannot be foreseen and the implications of Brexit add to any uncertainty. Any potential future recession would probably see a decline in the Council's income, which if not replaced, would have implications for the MTFs. However, there may be opportunities to be grasped that could also generate extra income.
- 6.4 Mitigation - Managers will review activity levels over the next few months, with any revised forecasts being built into the Final 2020/21 Budgets presented to Members in February 2020. Budgets are monitored and reviewed by Managers on at least a monthly basis during 2019/20.

7 ALTERNATIVE OPTION CONSIDERED

- 7.1 The various options affecting individual charges are outlined in the main body of the report, sections 8 to 16.
- 7.2 Fees and Charges for 2020/21 remain static i.e. remain at the same level as for 2019/20, which would increase the savings to be found over the next five years unless additional activity could be generated to offset this.

8. BACKGROUND

8.1 Fees and Charges Preparation

- 8.1.1 Alongside these pieces of work, Managers have undertaken some fee comparisons as part of the usual annual Fees and Charges review.
- 8.1.2 Managers also spoke to users of their services to ascertain their views on price increases.

9. FEES AND CHARGES GUIDELINES

- 9.1 In accordance with the Financial Strategy and Code of Financial Practice it is appropriate to consider certain other factors when deciding what the Council's Fees and Charges should be:
- (a) The impact of the Fees and Charges levels on the implementation of Fit for the Future.
 - (b) The level of prices the market can bear including comparisons with neighbouring and other local authorities.
 - (c) The level of prices to be sufficient to recover the cost of the service and the impact on Council Finances, where this is not the case.
 - (d) The impact of prices on level of usage.
 - (e) The impact on the Council's future financial projections.

10 CHIEF EXECUTIVE'S DEPARTMENT

- 10.1 The GIS section of ICT has proposed amendments to the Street Name Numbering charges so as to ensure consistency. Details are shown in Appendix A.

11. CULTURAL SERVICES

- 11.1 Appendix A now reflects that the fees and charges for the Pump Room Annexe fees are under the control of the contractor and are not set by the Council.
- 11.2 Fees and charges at the Leisure Centres that WDC can influence are now limited to a list of Core Charges. These can be seen in Appendix B. The contract stipulates that they will be increased by up to the September RPI figure in the following year.
- 11.3 Cricket
- Charges for cricket facilities are no longer being offered due to a lack of demand.
- 11.4 Bowls New rates are being introduced in recognition of non-profit and Commonwealth Nations booking the facilities in relation to the 2022 Commonwealth Games.

12. DEVELOPMENT

12.1 Building Control

- 12.1.1 Building Control is subject to competition from the private sector and has

to set charges that are competitive, otherwise they will lose customers to the private sector. The proposed charges for domestic properties are considered to be fair in the current competitive market. Fees for commercial projects are done on a bespoke basis, taking into account how many inspections will be needed, how long the project is likely to take and whether any additional professional services need to be brought in. Building Control fees were increased by 10% in April 2019 to address increasing costs of providing the service. It proposed that fees are not increased again in 2020 to ensure that the service continues to maintain competitive fee rates and maintains (or improves) market share. (This is a ring-fenced account and income is shown separately)

12.2 Local Land Charges

12.2.1 This account is similar to Building Control, and should break even over a rolling three-year period. The income levels shown for Land Charges for 2020/21 reflect recent changes. The LLC 1 charges has now transferred to the Land Registry, therefore, the Council can no longer charge for this. Thus, income is forecast to be down by £34,000 in 2019/20 and £30,000 in 2020/21. However, there will be a corresponding falling in expenditure (staffing costs and payments to WCC) to reflect the reduction in the number of searches. It is not proposed to increase these fees because tight control over costs has been maintained. (This is a ring-fenced account and income is shown separately).

12.3 Events in Parks and Open Spaces

12.3.1 The responsibility for this has transferred to the Events team from Cultural Services. WDC receives some income from commercial events in 2019/20 it has received £10,000; this is estimated to climb to £14,000 in 2020/21 and £18,000 in 2021/22. (not currently shown as Fees & Charges income – will be a favourable variance in the next budget review report).

12.4 Self-Build Register and Custom Housebuilding

12.4.1 The Self-Build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) requires all planning authorities to maintain a register of people who are seeking to acquire a serviced plot of land for their own self-build and custom housebuilding.

12.4.2 Warwick District Council maintains such a register but did not charge any fee. A report to August's Executive sought approval to make changes to the process, including adding a local connection test and to charge a fee for applicants to enter the register and an annual fee to remain on it. This was agreed and the charges below approved.

12.4.3 To be included on the register, there will be an entry charge of £50 for Part 1 and £25 for Part 2. People entered on Part 1 of the register are to pay a higher fee as there is duty for local authorities to meet the demand on this part of the register. The fee is outside of the scope of VAT. After 12 months, entrants in part 1 are required to pay a renewal fee of £20 and re-register otherwise they will be removed.

12.4.4 Income in the first full year is likely to be around £1,000.

12.5 COWork - Arch 4 (new project) and Althorpe Hub

12.5.1A new desk hire initiative is being introduced at the Court Street Arches as market research has shown to be strong demand for this type of service.

12.5.2Demand for the Workstation and Subscription packages at the Althorpe Hub has fallen significantly so these services are now being withdrawn. The area will be repurposed as office space, for which there is demand, and generate more income from that.

13. HEALTH AND COMMUNITY PROTECTION

13.1 Licensing and Registration

13.1.1 Licensing income fees and charges have been subject to some significant amendments due to recent legislation changes. Exercises continue to be undertaken, to cost each fee individually and this means that some increase, some stay the same and some reduce. Each fee should now be based on what it costs, in officer time and support costs, to produce that licence. Each licence should not contain a profit element and should breakeven over 3 years. (These are ring-fenced accounts and income is shown separately).

13.1.2Income from these areas have been removed from the main report and is shown as a separate item, along with other ring-fenced and reserve accounts.

13.1.3 Animal Welfare Licensing Fees (see separate report to this Executive)

The Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018 (The 2018 Regulations) came into force on 1 October 2018. Under these regulations the former licensing schemes for animal boarding establishments, pet shops, riding establishments and dog breeders were repealed and replaced by a new single licensing scheme that regulates all these activities and incorporated the licensing of those who train or exhibit performing animals.

The new regulations are very prescriptive in how matters should be conducted particularly in the granting and monitoring of compliance but also how appeals and requests for re-inspections must be processed. There is also new suspension, variation, refusal and revocation processes with the welfare of the animals concerned at the very heart of any action to be taken. Due to the very rigid nature of the regulations, the Licensing authority is under strict limitations in respect of how it deals with each application lending the new regime to a much more administrative approach to animal licensing than previously.

March's Employment Committee agreed the present staff resource needed to be increased so that the Council is able to meet its statutory duties in licensing.

There will be report to Executive later in the year detailing the costs of this and that potentially some of the Animal Licences will need to change, from what is proposed in this report.

14. HOUSING

14.1 Houses in Multiple Occupation Licensing

14.1.1 HMO licensing fees are required to be set to recover costs. It is proposed to increase these charges by inflation to ensure that income generated meets the cost of providing the service, whilst not making a profit.

15. NEIGHBOURHOOD

15.1 Car Parking

15.1.1 The table below shows the following situation with car park income:

Income Summary: (Net of V.A.T.)	Actual 2018/19 £	Estimate 2019/20 £	Latest 2019/20 £	Estimate 2020/21 £	%
Car Parking	2,770,600	2,789,700	2,776,000	2,963,000	6.21
Season Tickets	274,300	275,400	250,000	257,500	-6.5
Excess Charges	138,000	107,000	146,000	150,000	40.0
Other Income	36,300	48,000	48,000	48,000	0.00
Total Income	3,219,200	3,220,100	3,220,000	3,418,500	6.16

15.1.2 For 2020/21 car park income levels are forecast to increase by 6.16%.

15.1.3 In accordance with the resolution of Council in February 2016, any surplus income over the amounts budgeted will be allocated to the Car Parks Repairs and Maintenance Reserve (an extra £100k now for 2019/20).

15.1.4 The car park stock requires substantial funds on an ongoing basis to maintain and improve it. All the costs of operating, maintaining and supporting the car park service have been brought together in a Car Parking Memorandum Account. This demonstrated that the car parks are operating at a substantial deficit. With continued financial restraint by Central Government upon Local Authorities there is a requirement for Warwick District Council to seek to recover the full costs of the service. Charges for this year have been devised to take into account the need to reduce the net cost of the service whilst understanding the parking needs associated with each town.

15.1.5 Parking Services have introduced new ways to pay for parking in WDC Car Parks e.g. Ringo, Credit Card/Debit cards and Apple Pay. There are some small costs associated with these initiatives but they could

potentially reduce cash collection costs and increase usage. The initiative is not just about income but also designed to encourage people to shop and stay in WDC's Town Centres.

- 15.1.6 The fees proposed will be at least comparable, if not cheaper than on street parking run by WCC, in order to encourage people to park off-street and to help traffic flow in the District's towns. (the availability of off-street parking may also assist with air pollution issues by encouraging drivers not to drive around looking for spaces on-street or leaving engines idling during traffic congestion).
- 15.1.7 Consideration is being given to the introduction of free parking for electric vehicles in council car parks. This will be subject to a future report to the Executive, which should include details of how this will be funded.

15.2 Season Tickets and Penalty Charge Notices

- 15.2.1 Season ticket income has not performed as well as previous years and this trend is expected to continue until the uncertainty around WDC's car parks is removed.
- 15.2.2 Penalty Charge Notice (PCN) income well exceeded its target for 2018/19 and is forecast to generate over £145k in 2019/20 and 2020/21. However, increased income cannot be guaranteed to continue at that level.

15.3 Bereavement

15.3.1 Interment and Cremation fees

Historically predicting the death rate for any particular year has proven impossible, and therefore a calculation based on a 5 year rolling average has previously been established. There have been unusual factors affecting the burial, specifically the Exclusive Right of Burial and interments (EROB) income; in recent years, section 119 was reaching its capacity, many families who wanted to be buried near their relatives have "purchased for future use" the grave plot, this has distorted historical figures and (because they now own the plot) when they are buried only the interment income is realised. In addition, because of the scarcity of land, particularly in Kenilworth cemetery, action was taken through the fees and charges to deter non-residents in order to be able to continue to provide a burial service for Warwick District Council residents, with the additional income being set aside in reserves.

The Bereavement Manager has identified a reduction in the number of EROB and interments (and subsequent income), in some way although this is not good news for the budget, it is good news for the cemeteries themselves as an asset. Graves are a finite resource with a permanent liability for maintenance; fewer graves being sold now means capital investment for a new cemetery will be further into the future.

It is not possible to address the shortfall in the cemeteries income wholly from the cemeteries fees, therefore the cremation fee has been increased above the desired 3% to balance the books. Assuming the fees and charges are accepted this will only affect Q4 of 2019/20 so the shortfall in the overall service budget will be £37,900 against the original budget,

however this will be compensated for by a £42,300 increase over the 3% in 20/21 based on this current year's original budget.

The Woodland burial fees will remain at the 2019/20 rates, as there is very little Local Authority provision for this green burial option, most facilities are privately owned. In the first instance to remain competitive the market will not sustain an increase, the number of customers for this option is lower than the mainstream traditional cemeteries (approx. 10 per year) so any increase has a very marginal impact on the overall budget position; and in the second instance, of the funeral options WDC provides, woodland burial offers the least impact on the environment. Making woodland burial a more attractive option is in line with the Councils climate emergency agenda.

Although a 11% increase in cremation fees to £800, is proposed, it still puts Warwick District Council approximately mid-point in the league of cremation fees; benchmarking against our neighbours, Warwick is more affordable than Coventry, Nuneaton, Rugby, Banbury and Pershore; but more expensive than Solihull, Coleshill and Redditch, however the effect on this affordability table of their 2020/21 increases is unknown.

15.3.2 Details of some minor changes in charges are shown in Appendix A; these have been done to remove anomalies and to respond to market conditions.

15.3.3 Income details (exclusive of surcharge premium) for, both the Cemeteries and Crematorium for, 2019/20 & 2020/21 are shown below. (The Burial Rights and Interments Surcharge is NOT included in the figures below.)

	Original 2019/20	Latest 2019/20	Original 2020/21
	£	£	£
Cemeteries	445,300	388,100	412,900
Crematorium	1,385,200	1,410,800	1,521,700
Total	1,830,500	1,798,900	1,934,600

15.4 Refuse Collection

15.4.1 In terms of the charges for receptacles the "Refuse Collection", the Executive agreed to charges for these items purely to cover the cost of the expenditure for the all of items. Therefore, there should be no change to individual charges for bins and boxes etc. unless we have a change in supplier as these costs increase. As this has not happened, the budget to "Additional Bins/Bags etc." will remain the same.

15.4.2 There has been an increasing usage of the existing bulky waste collection Service, which accounts for the increased income.

HOUSING REVENUE ACCOUNT

16 Warwick Response

16.1 Lifelines and other charges

16.1.1 The income generated from the Warwick Response Fees and Charges is credited to the Housing Revenue Account, from where the costs of this service are met. Details of the charges are shown in Appendix A.

16.2 Charging structures for tenants who live in age-designated properties within the district.

16.2.1 There is a report on the same Executive Agenda which is proposing to make consistent the service provision and the charging structures for tenants who live in age-designated properties within the district. This will generate additional income for the service in future years.