

Executive
17 November 2020

Title: Fees and Charges 2021/22
Lead Officer: Andrew Rollins
Portfolio Holder: Councillor Hales
Public report / Confidential report: Public
Wards of the District directly affected: All

Contrary to the policy framework: No
 Contrary to the budgetary framework: No
 Key Decision: No
 Included within the Forward Plan: Yes
 Equality Impact Assessment Undertaken: No
 Consultation & Community Engagement: No
 Final Decision: Yes
 Accessibility checked: Yes

Officer/Councillor Approval

Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	29/10/20	Chris Elliot
Head of Service	29/10/20	Mike Snow
CMT	29/10/20	
Section 151 Officer	29/10/20	Mike Snow
Monitoring Officer	29/10/20	Andrew Jones
Finance	29/10/20	Andrew Rollins
Portfolio Holder(s)	29/10/20	Councillor Hales

1 Summary

- 1.1 The report details the proposals for discretionary Fees and Charges in respect of the 2021 calendar year. It also shows the latest Fees and Charges 2020/21 income budgets, initial 2021/22 and the actual out-turn for 2019/20.

Recommendation

- 2.1 Executive recommends to Council the Fees and Charges proposals set out in Appendix A, to operate from 4th January 2021 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 2021 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.

2 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 2021/22. Discretionary Fees and Charges for the forthcoming calendar year have to be approved by Council.
- 3.2 In the current financial climate, and with the impact of COVID-19, it is important that the Council carefully monitors its income, eliminates deficits on service specific provisions where possible and minimises the forecast future General Fund revenue deficit.
- 3.3 Budget Managers have been tasked with seeking to achieve additional income of 15%. However, for some fees and charges, legislation and other factors may make it unviable to achieve this, and so have been set in accordance with such legislation and service knowledge provided by the managers.
- 3.4 As a result of this the fees and charges outlined in Appendix A present an overall forecast increase in income of 9% (£647,000).
- 3.5 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.
- 3.6 Bereavement – new cremation fees are proposed to meet potential new or differing customer requirements.
- 3.7 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.

- 3.8 Management of the Council's Leisure Centres is 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). 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.
- 3.9 Linear car parking charges are to be removed, to be replaced with charges covering specified stay durations. Sunday charges are also to be in place at all car parks from 4th January 2021. Parking for electric vehicles will be free.
- 3.10 New fees have been included to reflect the increase in products and services offered as part of Lifeline.

Policy Framework

4.1 Fit for the Future (FFF)

- 4.1.1 The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects. This report shows the way forward for implementing a significant part of one of the Council's Key projects.
- 4.1.2 The FFF Strategy has 3 strands, People, Services and Money, and each has an external and internal element to it, the details of which can be found [on the Council's website](#). Section 4.2 below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

4.2 FFF Strands

4.2.1 External impacts of proposal(s)

People - Health, Homes, Communities - Fees and Charges provide income towards the cost of providing excellent services which support, for example, health, sporting and cultural activities alongside core services across the District.

Services - Green, Clean, Safe – A number of fees and charges have been set or established to support the objective of becoming a net-zero carbon organisation, and also supporting the District in achieving this target by 2030.

Money- Infrastructure, Enterprise, Employment – The fees and charges outlined in the Appendices aimed to support a dynamic and diverse local economy, through vibrant town centres with increased employment and income levels across the District.

4.2.2 Internal impacts of the proposal(s)

Services - Maintain or Improve Services - 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.

Money - Firm Financial Footing over the Longer Term – Ensuring appropriate fees and charges are set to provide a better return/use of our assets; full cost accounting; continued cost management; maximise income earning opportunities and to seek best value for money.

4.3 Supporting Strategies

- 4.3.1 The Fees and charges proposed are key to supporting the FFF strategy. It ensures the cost of providing services are covered, ensuring full cost recovery where appropriate and allowing the Council to continue to deliver and invest in services going forward.

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 Budget Managers have been tasked with seeking to achieve additional income of 15%, with the exception for some fees and charges, where legislation and other factors may make it unviable to achieve this. These have been set in accordance with such legislation and service knowledge provided by the managers. This is intended to make a contribution towards the savings that the Council needs to make in its overall budget over future years, with the timeline for making significant savings being significantly reduced due to the impact of COVID-19.

Agenda Item 3

- 5.2 As a result of this the fees and charges outlined in Appendix A present an overall forecast increase in income of 9%, with the additional income to be incorporated into the Medium Term Financial Strategy equating to £647,000. This excludes the additional income from certain the ring fenced charges (Building Control, Cemetery surcharge, Licensing and Land Charges).
- 5.3 The revenue effects of the proposed Fees and Charges are summarised in the following table (ring fenced accounts have been removed)

General Fund Services	Actual 2019/20 £	Original Budget 2020/21 £	Forecast 2020/21 £	Forecast 2021/22 £	Change 2020/21 Original to 2021/22 %
Chief Executive's Office	62,726	45,000	30,000	47,300	5.11%
Culture	237,511	209,600	39,600	229,400	9.45%
Development	1,338,974	1,337,700	1,071,900	1,364,000	1.97%
Health & C.P.	2,000	6,800	6,800	7,400	8.82%
Housing	0	84,800	0	0	
Neighbourhood	5,005,386	5,503,900	4,436,500	6,186,700	12.41%
Total General Fund Services	6,646,597	7,187,800	5,584,800	7,834,800	9.00%
Housing Revenue Account	413,491	443,700	430,000	445,000	0.29%

- 5.4 Increased income from Fees and Charges will seek to generate income to cover the costs of the provision of respective services. Any increases will reduce the ongoing savings target within the Financial Strategy.
- 5.5 The current forecasts for 2020/21 and 2021/22 will be reviewed within both the Base Budget Report (December) and Budget setting Report (February 2021). 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 2021, with the Council's costs of providing the service increasing more than inflation.
- 6.3 Future social and economic changes cannot be foreseen and the implications of COVID-19 and Brexit add to any uncertainty. Customer behaviours may have changed as a result of the impact of COVID-19, with many employees now working from home where possible, reducing the reach of some fee

charging services. Should the economy continue to be in recession we would probably see a decline in the Council's income, which if not replaced, would have implications for the MTFS. However, there may be some 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 2021/22 Budgets presented to Members in February 2021. Budgets are monitored and reviewed by Managers on at least a monthly basis during 2020/21.

7 Alternative Option(s) 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 2021/22 remain static i.e. remain at the same level as for 2020/21, which would increase the savings to be found over the next five years unless additional activity could be generated to offset this. This is not a realistic option given the current position of the Financial Strategy, and the level of savings required.

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.
- 8.1.3 Managers have been challenged on ensuring income maximisation and cost recovery where appropriate, and have provided commentary on the rationale behind some of the charges highlighted below,

8.2 Fees and Charges Guidelines

- 8.2.1 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:
- The impact of the Fees and Charges levels on the implementation of Fit for the Future.
 - The level of prices the market can bear including comparisons with neighbouring and other local authorities.
 - 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.
 - The impact of prices on level of usage.
 - The impact on the Council's future financial projections.

8.3 Chief Executives Department

- 8.3.1 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. A 5% increase is recommended as not a nationally charged for service.

8.4 Cultural Services

- 8.4.1 Appendix A 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.

8.4.2 Spa Centre

A 5% increase recommended for services at the Spa Centre to support the Arts sector, which has suffered so extremely due to COVID-19.

8.4.3 Leisure Centres

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.

8.4.4 Recreation and Sport

Club charges including rentals and facilities use to be increased by 5%. Rentals negotiated separately to reflect COVID and Commonwealth games disruption at bowls. Use of facilities, including athletics tracks and sports pitches, could sustain above inflation increases but clubs face increasing challenges and could reduce demand.

8.4.5 Tennis

Charges for the use of tennis courts had been suspended as a result of COVID-19. These were recently introduced and are expected to continue be in place next year.

8.4.6 Bowls

Individual bookings have not been permitted during the COVID-19 pandemic, but will be reintroduced in the new year. Clubs have also had restricted access during this year, with fees yet to be agreed with the clubs.

8.4.7 Football

As a result of COVID-19, charges for changing facilities had been suspended as these were closed due to social distancing requirements.

8.4.8 Park Exercise Permits

Report approved at Executive on 24th August, with charges due to be implemented from 1st October.

8.5 Development

8.5.1 Building Control

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 2021 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). Despite the impact of COVID-19 on the overall demand for building control services, Warwick District Council is maintaining market share with the Building Control Account still forecast to breakeven.

8.5.2 Althorpe Enterprise Hub

Workstation and Subscription packages at the Althorpe Enterprise Hub have now been withdrawn following low demand for the services. The area has now been repurposed for hire as office space. Increases proposed are 1.5% (including both licence fees and service charges), as anything higher in the current climate may drive customers away.

8.5.3 Markets

Market charges to increase following a long period of stability, to reflect what is believed to be a fair price. The Leamington Farmers market has also been relaunched under a new format in a new location. The price to be charged is in keeping with a similar market in the same location.

8.6 Health and Community Protection

8.6.1 Licensing and Registration

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).

- 8.6.2 Income 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.

8.7 Housing

8.7.1 Houses in Multiple Occupation Licensing

HMO licensing fees are required to be set to recover costs. It is proposed to increase new application charges by inflation to ensure that income generated meets the cost of providing the service, whilst not making a profit. Our fees for new HMO licences are currently the highest across all the property occupancy bands in Warwickshire.

- 8.7.2 HMO renewals are recommended to be increased by 5% to ensure they remain reasonable and proportionate, while covering increases incurred such as staff costs and inflation. If fees are excessively increased, they could be subject to challenge by an individual landlord or an organisation representing landlords.

8.8 Neighbourhood

8.8.1 Car Parking

The table below shows a summary for car park income:

Income Summary: (Net of V.A.T.)	Actual 2019/20	Estimate 2020/21	Latest 2020/21	Estimate 2021/22	
	£	£	£	£	%
Car Parking	2,792,291	2,963,000	2,100,000	3,259,300	10.00
Season Tickets	271,423	257,500	50,000	250,000	-2.91
Excess Charges	131,465	150,000	100,000	180,000	20.00
Other Income	36,415	48,000	48,000	48,000	0.00
Total Income	3,231,593	3,418,500	2,298,000	3,737,300	9.33

- 8.8.2 For 2021/22 car park income levels are forecast to increase by 9.33%. Changes to the fees will offset some of the fall in demand expected following changes to working patterns and shopping behaviours as a result of COVID-19. These projections will be reviewed further as part of the Budget setting process, so as to reflect anticipated usage.
- 8.8.3 Car parking across the District has been reviewed with a number of charges being incrementally increased by 10%, with a move away from linear charging. Some car parks that were previously free out of hours and on Sundays are to now become chargeable 24/7.
- 8.8.4 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. The sums allocated will be considered as part of the Final Accounts process.

- 8.8.5 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.
- 8.8.6 Parking Services have introduced new ways to pay for parking in WDC car parks in recent years e.g. Ringo, Credit Card/Debit cards and Apple Pay. There are some small costs associated with these initiatives but they have reduced cash collection cost. The initiative is not just about income but also designed to encourage people to shop and stay in WDC's Town Centres.
- 8.8.7 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).
- 8.8.8 Free parking for electric vehicles in council car parks can be obtained through a season pass.
- 8.8.9 Season ticket income has not performed as well as previous years and this trend is expected to continue, with the move to remote working by many organisations impacting on demand.
- 8.8.10 Penalty Charge Notice (PCN) income is expected to continue on its upward trend for the remainder of 20/21 (following a fall when car parking was free) and into 21/22. However, increased income cannot be guaranteed to continue at that level.

8.9 Bereavement

8.9.1 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.

- 8.9.2 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.
- 8.9.3 An increase in cremation fees to £920 is proposed, which puts Warwick District Council approximately mid-point in terms of cremation fees; benchmarking against our neighbours. However, the effect on this affordability table of their 2021/22 increases is unknown.
- 8.9.4 Several new charges have been included in Appendix A, which were previously provided for by delegated authority.
- 8.9.5 Income details (exclusive of surcharge premium) for, both the Cemeteries and Crematorium for, 2020/21 & 2021/22 are shown below. (The Burial Rights and Interments Surcharge is NOT included in the figures below.)

	Original 2020/21 £	Forecast 2020/21 £	Forecast 2021/22 £
Cemeteries	412,900	400,100	481,500
Crematorium	1,521,700	1,538,400	1,794,500
Total	1,934,600	1,938,500	2,276,000

8.9.6 Refuse Collection

In terms of the charges for receptacles as part of the Refuse Collection, the Executive agreed to charges for these items purely to cover the cost of the expenditure for the all of items.

- 8.9.7 There has been an increase in demand for the existing bulky waste collection service, and an increase in demand for additional bags and bins. This has been driven by the closure of the refuse centre during Q1, and by the increase in people remaining and working at home as a result of COVID 19.

8.10 Housing Revenue Account

8.10.1 Warwick Response - Lifelines and other charges

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.

- 8.10.2 There has been an increase in the number of products being offered through the service for 21/22, offering greater choice to customers and increasing fee earning opportunities for the service.

- 8.10.3 It is proposed that prices are not increased while work on reviewing the service, and opportunities for it are ongoing. The service is competitively placed in the market and raising our charges would not adhere to the core purpose of the service to look after the elderly and vulnerable, particularly at this time.