

FEES AND CHARGES 2019/20

1.0 SUMMARY

- 1.1 This report sets out the fees and charges proposed for Council services for the year 2019/20. As required by best practice, all of the fees and charges of the authority have been reviewed by Business Units and Business Support staff with a view to maximising income resources within statutory constraints. Wirral follows good practice by maintaining and publishing a comprehensive Directory of its Fees and Charges each year.

2.0 BACKGROUND INFORMATION

REVIEW OF CHARGES FOR 2019/20

- 2.1 Wirral receives income to pay for its services from a number of different sources including:
- Grants from central government
 - Grants from other public bodies
 - Council Tax and Business Rates
 - Fees and Charges
- 2.2 Wirral provides a wide range of services; some free to users and some charged for. The income from the charged-for services is a key source of funding to support services and generates over £50 million per year. Charges are set with the framework of the Medium Term Financial Strategy, the charging policy and legal requirements.
- 2.3 Many fees and charges for statutory services are set subject to national guidelines. There may be circumstances where the charge is set to manage demand or deter certain behaviour, such as fines. The remaining charges for services are discretionary in nature, covering a wide range of services such as Pest Control and Leisure Centres. The Budget proposals include recommendations for fees and charges for 2019/20, following a review process by all service managers.
- 2.4 A comprehensive Directory of Fees and Charges containing a description of the charge: VAT status and the level of charges in 2019/20, 2018/19 and, 2017/18 is held on the Council web-site and updated annually.
- 2.5 While some fees have not increased, the majority of fees and charges have increased in line with inflation, or to bring them more in line with councils in the Liverpool City Region. Others have changed as a result of legislation or if savings have already been agreed; these have been included in the Directory. Some charges included in the Directory still await final decisions on their implementation; when confirmed these charges will be amended as necessary prior to publication of the Directory in April 2019.

- 2.6 In setting charges for 2019/20, the Council seeks to cover the full cost of providing services where it is possible to do so in line with the Council's service priorities. As a consequence some charges are being increased by more than the current levels of inflation.
- 2.7 To enable changes to be implemented as soon as possible to maximise income generation delegated authority is requested for the relevant Director in consultation with the relevant Portfolio Holder and Director of Finance and Investment (Section 151 Officer) to vary existing fees and charges. Whilst there is an annual review as part of the budget setting process this delegated authority enables a more timely response to changes in the commercial climate and maximises the benefit to the Council financial position.

3.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 3.1 The income from Fees and Charges is an integral part of the Council Budget.

4.0 RELEVANT RISKS

- 4.1 Whilst budgets for income from fees and charges are set with regard to the status of the charges as statutory or discretionary, the achievement of income targets can be influenced by many factors including the local economic situation. The effect of these factors can be mitigated by maintaining a constant review of charges and amending budgets where required to reflect what is achievable.

5.0 EQUALITY IMPLICATIONS

- 5.1 Increases in fees and charges may impact upon certain groups such as those on lower incomes. Policies to offer discounts or apply means tests will help to mitigate these impacts. The implications of specific charges will be addressed by the relevant Directors when implementing any changes.

6.0 RECOMMENDATIONS

- 6.1 That Delegated Authority be given to the Director of Finance and Investment (Section 151 Officer) to update the Council's Fees and Charges Directory prior to publication before 1 April 2019.
- 6.2 To agree to delegated authority to the relevant Director in consultation with the relevant Portfolio Holder and Director of Finance and Investment (Section 151 Officer) to vary existing fees and charges.
- 6.3 Approval of the policy for fees and charges as detailed in Annex 1.

Pricing and Charging Policy

Introduction

The setting of fees and charges is important as it determines who pays for what and which of its services the Council will subsidise.

The aim of this policy is to provide guidance on the setting of fees and charges. This policy is a framework as well as it gives details of what needs to be considered when reviewing charges.

The purpose of this document is to:

- Give a consistency and cost effective approach to charging.
- Set out the factors that need to be considered i.e. factors to be considered when reviewing.

This document covers the following

- Scope of Charging
- Reviewing Charges
- Factors to consider in an annual review
- Concessions

Scope of Charging

The Council will charge for services except where there is a clear and formal decision not to do so.

Overriding Principles when setting Charges

- To set charges at a level that achieves both optimum take-up of the service and maximum income to the Council.
- Charges raised should be sufficient to cover the full cost of providing the service in question. The total cost should be based on the direct costs of service provision including staff, supplies and services etc. and support service costs.
- Where this is not possible the reason for the effective subsidy to the service by the Council Taxpayer should be justified in terms of how this will achieve the Wirral Plan and the 20 Pledges.

Reviewing Charges

For all services a review of charges should be undertaken at least annually. This can be as part of the budget setting process. This should fit in with service objectives, changes in markets that services operate in, changes in customer inclinations and budgetary pressures.

A record of all services reviews should be maintained i.e. records, supporting evidence to justify the decisions made.

Factors to consider in an annual review

The review of charges should consider the following:

- Inflation – All charges should increase at least in line with inflation. The reasons for doing so should be known, specified and recorded.
- Competition – The actual or potential consequences of any service competitors on service use of any change in prices should be assessed.
- Take up of the Service- The trend in the use of the service i.e. current take up and potential take up of the services may be affected by changes in charges.
- Budget requirements- The requirements of the Medium Term Financial Strategy and the need to make budgetary changes.
- Costs – Services are expected to cover costs wherever possible. A potential change in charges should assess how far a service has reached this objective.
- The use of Alternative/Flexible Charging Structures - The use of alternative charging structures should be considered especially if they are more effective in delivering income. This may include an assessment of the effectiveness of the use of alternative charging in the past. For certain services differential charging, promotional charging, flexible charging (i.e. charges for a standard/premium service, fast/high quality service), frequent user discounts should be considered.
- The method and the cost of income collection - How much is the costs of collection when assessed against the income generated.

Concessions

Concessions should only be offered to help achieve specific objectives of the Wirral Plan and 20 Pledges.