

# WIRRAL COUNCIL

## CABINET

12 JANUARY 2012

<b>SUBJECT</b>	<b>FEES AND CHARGES DIRECTORY</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>DIRECTOR OF FINANCE</b>
<b>RESPONSIBLE PORTFOLIO HOLDER</b>	<b>COUNCILLOR STEVE FOULKES</b>
<b>KEY DECISION</b>	<b>YES</b>

### 1.0 EXECUTIVE SUMMARY

- 1.1 In accordance with best practice the fees and charges of the Authority should be reviewed on a regular basis. This is undertaken by Departments and it is also good practice for the Council to have a comprehensive list of fees and charges approved as part of the budget process.

### 2.0 RECOMMENDATIONS

- 2.1 That the fees and charges be approved.
- 2.2. That the Director of Finance completes the draft Fees and Charges Directory for publication on receipt of the outstanding information from Chief Officers.
- 2.3 That Chief Officers undertake a review of all services in 2012 to identify any opportunities for increasing income.

### 3.0 REASONS FOR RECOMMENDATIONS

- 3.1 The bringing together of all fees and charges for the first time into one document to be approved by Cabinet will enable the Council to follow best practice.
- 3.2 Under the financial regulations contained within the Council Constitution

*Chief Officers are responsible for establishing a charging policy for the supply of goods and services, and, in consultation with the Director of Finance, for reviewing annually the levels of fees and charges relating to services under their control.*

### 4.0 BACKGROUND AND KEY ISSUES

- 4.1 The development and implementation of a Corporate Charging Policy should be a key strand of the Annual Budget Strategy. During this time of austerity and rigid financial constraint it is important that the Authority:-
- Ensures that current charges are set and uplifted correctly
  - Ensures collection of fees and charges operates in an effective and efficient manner.

- Takes an active approach in identifying and implementing new charging opportunities.
  - Ensures the approach to charging helps to achieve the Council strategic goals.
- 4.2 Appendix 1 contains a draft of the comprehensive fees and charges schedule for the Authority. This contains a description of each charge, VAT treatment, charges for 2011/12 and proposed for 2012/13.
- 4.3 The Medium Term Financial Strategy includes the assumption that income targets will increase by 3% per year. Cabinet on 3 November 2011 agreed this for 2012/13 which was in advance of a full review of fees and charges which is to be undertaken during 2012.
- 4.4 As the budgeted income from fees and charges is approximately £40 million per year the 3% increase equates to approximately £1.1 million if targets are all achieved. However, there are a number of income budgets which are currently under achieving their targets. These include car parking, cultural services, building control, and planning.
- 4.5 There are a number of specific issues regarding individual fees and charges which are brought to the attention of Members.
- a. Hackney Carriage and Private Hire Licences have been kept at the same level as 2010/11 because the income is ring-fenced and used to pay for the service. As the current fees and charges are sufficient to pay for the service they cannot be increased as this would mean the Council making a profit which is prohibited.
  - b. Planning Fees are currently set nationally with no scope for local adjustment. Whilst there have been proposals to allow planning fees to be set locally this process is incomplete. However, the Government is looking at proposals which could result in national fees being increased and Members will be updated as and when the Council has been formally notified of any changes to the planning fees regime.
  - c. The annual review of leisure services fees and charges, especially those where there is competition from private providers, has recently taken place. This included a review of user figures for the current financial year and research into charge levels of the private sector, other Merseyside Authorities and Peer Local Authorities.
  - d. Cabinet has previously agreed that car parking income targets will rise annually in line with inflation. However, charges have been held at their present level since 2008. Income is currently not meeting the budget, and there is significant competition from other providers on the Wirral. The elasticity of demand means that any increase in fees could result in a reduced level of income. Any changes also take account of coin of the realm limitations on pay machines.

- e. Building Regulation Charges are complex and the Council is required by statute to recover the costs of the charge earning element of work over a rolling three year accounting period. Fees are set to recover costs provided that they are set within 'a scheme'. Guidance issued to local authorities to aid the establishment of the appropriate charges dictates that the method of establishing the hourly rate must be indicated and a potential applicant must be advised of the charge together with the level of service to be received upon application. Given the complexity of the charging regime the building control charges have been appended to this report in three separate schedules.
- 4.6. The Fees and Charges Directory will form the base document for the reviews of fees and charges to be undertaken by Chief Officers during 2012. The reviews will include comparisons with other local authorities and competitor organisations, the exploring of other potential income opportunities and consideration of the impact of possible policy changes in order to fulfil their role under the Constitution. In setting the levels of fees and charges regard should be given to:-
- Concessions should be targeted at those most in need of the service and should take account of their ability to pay, whilst having regard to fairness and equality.
  - Charging for all services should be informed by a clear understanding of the full cost of providing the service, prevailing market rates and the risks associated with differing charging levels.
  - Charges should be reviewed on a regular basis to ensure that they are still appropriate.
- 4.7 The comparisons with other Local Authorities will also make use of the Merseyside review of fees and charges currently being undertaken and coordinated by Knowsley Council. Wirral has contributed towards this exercise. Once details of the outcome of the benchmarking exercise are known then officers can use this information to compare charges and to examine areas where charges may be significantly different from our nearest neighbours.

## **5.0. RELEVANT RISKS**

- 5.1. The comprehensive list of fees and charges provides a base from which to undertake the reviews on a consistent basis and ensure that income opportunities are maximised.
- 5.2. This approach will enable Chief Officers to review charges against the agreed principles and avoid the risks that charges may be out of alignment with other Local Authorities and not supporting other Council policies.

## **6.0 OTHER OPTIONS CONSIDERED**

- 6.1 A full review of fees and charges will be undertaken during 2012 by Departments. For the 2012/13 budget setting process an inflationary increase has been applied to non-statutory income budgets. Any increases can be amended by Cabinet to reflect particular market conditions and to take account of feedback from consultation.

## **7.0 CONSULTATION**

7.1 No specific consultation was undertaken in respect of this report.

## **8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

8.1 There are no direct implications arising from this report for voluntary, community and faith groups.

## **9.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

9.1 Increasing non-statutory fees and charges budgets by 3% will raise the budgeted income by £1.1 million.

## **10.0 LEGAL IMPLICATIONS**

10.1 There are none arising directly from this report.

## **11.0 EQUALITIES IMPLICATIONS**

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

## **12.0 CARBON REDUCTION IMPLICATIONS**

12.1 There are none arising directly from this report.

## **13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

13.1 There are none arising directly from this report.

FNCE/1/12

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## **APPENDIX**

Wirral Council – Draft Fees and Charges Directory  
Guidance Notes on Building Regulation Charges Schedule 1  
Guidance Notes on Building Regulation Charges Schedule 2  
Guidance Notes on Building Regulation Charges Schedule 3

## **SUBJECT HISTORY**

<b>Council Meeting</b>	<b>Date</b>
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