

## Central Bedfordshire Council

EXECUTIVE

6 October 2015

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### Fees and Charges 2016

Report of Cllr Richard Wenham, Executive Member for Corporate Resources  
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**This report relates to a non-Key Decision**

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1. The report proposes the revised fees and charges prices for 2016; identifies new services for which it is proposed that fees or charges will be levied; and identifies those charges where proposed increases are significantly different from the 1% advisory increase as per the 2016/17 Budget Strategy.

#### RECOMMENDATIONS

Subject to any recommendations from Overview & Scrutiny, the Executive is asked to recommend to Council to:

1. **agree the Fees and Charges prices for 2016;**
2. **agree the new Fees and Charges that are proposed to be introduced for 2016;**
3. **agree to bring Fairer Charging in line with Residential Care charging and to commence charging when the care started with effect from 1 January 2016, as set out in paragraphs 11 and 12;**
4. **agree that whilst some statutory charges have been left at the 2015 rate currently, these will be amended to the new charges once the Council has been advised of the rates applicable to 2016; and**
5. **note the progress of the Fees & Charges cyclical review process, as set out at Appendix D.**

## **Overview and Scrutiny Comments/Recommendations**

2. The proposed Fees and Charges proposals are planned to go to all four Overview & Scrutiny Committees during their October 2015 cycle for comment. Any comments made by the Overview & Scrutiny Committees will be provided to Council as a separate appendix.

## **Background**

3. The Council's Charging Policy states that 'All Fees and Charges will be reviewed annually and adjusted as necessary in line with the Council's charging policy. The Chief Finance Officer will provide services with guidance each year as to the maximum inflation rate that may be applied.'
4. The Fees and Charges Policy was approved by Council in November 2014. It states that 'All fees and charges should be reviewed on a more fundamental basis at least every 3 years, where it will be necessary to examine all the factors set out in accordance with good practice guidance i.e. the CIPFA Practical Guide for Local Authorities on Income Generation (Fully revised 2008).' This is currently being undertaken on a rolling basis.
5. The Chief Finance Officer has advised that the inflation rate to be applied in line with the Corporate Budget Strategy is 1%. Where there have been significant variations from this advisory level these have been identified at Appendix A.

## **Pricing for 2016**

6. The prices proposed for 2016 reflect three pricing options:
  - Prices remain at their 2015 level either because they are in line with other providers (Local Authorities) or because there is insufficient data available to support a price change.
  - Prices increased with inflation.
  - A list of those Fees & Charges in the categories above is at Appendix A.
  - Prices increased by more than inflation if there is sufficient information to justify an increase (Appendix C).
7. For the majority of services there will either be a 1% increase for 2016, or prices will be held at the 2015 price where charges are in line with the current economic cost of provision.
8. Some statutory charges have been left at the 2015 rate and will be revised once the authority has been advised of the rates applicable to 2016.

9. The implementation date of the price changes for 2016 is the 1st January 2016 wherever possible. Due to the change over date of benefit increases all of Social Care Health and Housing new fees and charges will take effect from 1 April 2016.
10. New proposed services for 2016 along with a recommended price are shown at Appendix B.
11. Under Section 14 (Power of local authority to charge) of the Care Act 2014, local authorities have powers to charge for care and support to cover the costs they incur when contracting for care. The local authority can therefore levy charges from the date when it starts to incur costs to meet a person's care and support needs. This has previously been the case for Residential Care but not for Domiciliary Care (Fairer Charging).
12. The local authority will work out how much the customer can afford to pay for their care and support before the local authority collects any money from them. An exception to this would be where a person refuses to co-operate with the financial assessment. The local authority will complete a financial assessment as quickly as possible to avoid people being faced with large and unexpected bills. Where any arrears of charges are due, people are given a reasonable length of time in which to pay the money and should not be expected to pay it all off in one go.
13. Car parking charges include the first increase in a number of years – this will allow us to invest in improving the technology and customer experience of our busiest car-parks which will see new ticketing machines and a move to 'pay on exit' rather than customers having to guess how much parking time they need to pay for. This will also see greater enforcement capacity being released in order to manage on-street parking more effectively, helping compensate for the loss of Automatic Number Plate Recognition (ANPR) cars.

### **Approach to Reviewing Fees and Charges Prices**

14. As mentioned above, all fees and charges should be reviewed on a fundamental basis at least every 3 years.
15. This is currently being undertaken on a rolling basis and is being coordinated by Finance. For 2016 all Directorates within the Council have been asked to identify the top ten Fees and Charges to review. This task was undertaken between June 2015 and August 2015.
16. In future, reviews will be phased throughout the year (not tied to the Medium Term Financial Plan process) to ensure all Fees and Charges are reviewed within a three yearly cycle.

17. A copy of the review questions posed during the review is attached at Appendix D and a full register will be kept within Finance. Due to the sheer size and volume of information held, the outcome of individual reviews has not been included within this paper, but a list of those that have been reviewed is also provided at Appendix D.
18. Some examples of the information collected during the review are provided in Appendix E.

### **Next Steps**

19. As mentioned above, the full review of all Fees & Charges needs to be undertaken on a rolling basis due to the large number of services provided to the public and external organisations. Although there has been significant progress in establishing a data base of relevant information, and the Council is much better placed now compared to a year ago in terms of understanding the cost drivers for some of our Fees & Charges, there is still some way to go and a full review cycle is likely to be spread over a three year period.
20. The findings from the review to date are being captured in a database that is under development, and once complete this review will provide the Council with valuable information on a charge by charge basis identifying such things as revenues generated, volumes sold, cost of fulfilment and therefore the financial contribution to the Council.
21. This will enable a fuller understanding of which Fees and Charges generate the most value for the Council, and which are not cost effective to charge for (cost of billing exceeds income).
22. This will enable the Council to better target those Fees and Charges for which it would be worth improving the Council's marketing strategies to generate additional volume and therefore revenue, and which might be offered free of charge.
23. The review should also enable the Council to streamline its offer as it may look to cease discretionary services for which there is little take up or find alternative methods of delivering such services.
24. The 2015/16 Medium Term Finance Plan included the creation of a Commercial Analyst role within Finance. The purpose of this role is twofold.
  - a. To improve our income reporting processes including Fees and Charges; and
  - b. To identify new sources of income for the Council to consider through benchmarking with other local authorities and other public sector organisation.

25. As a result, in future, the Council may be looking to introduce new Fees and Charges that contribute to the Councils finances.

### **Reason/s for Decision**

26. To agree the Fees and Charges prices for 2016 as part of delivering a balanced budget for 2016/17 and identify resource requirements for the Medium Term.

### **Council Priorities**

27. The annual review and setting of the Council's Fees and Charges are integral to the Council's Budget Strategy and the legal requirement to deliver a balanced budget. The review ensures a rigorous, responsible and realistic approach is taken to determine the appropriateness and relevance of the Council's schedule of fees and charges. Setting a balanced budget ensures the Council allocates its resources to deliver the priorities. These are:
- enhancing your local community – creating jobs, managing growth, protecting our countryside and enabling businesses to grow;
  - improved educational attainment;
  - promote health and well being and protect the vulnerable;
  - better infrastructure – improved roads, broadband reach and transport;
  - great universal services – bins, leisure and libraries; and
  - value for money – freezing council tax.

### **Corporate Implications**

#### **Legal Implications**

28. The Council has various powers to charge for aspects of the services it provides. The general rule is that when it is carrying out a statutory duty the Council can only make a charge where there is specific power to do so. Section 93 of the Local government Act 2003 provides that when the Council is providing a discretionary service, it may charge for the service, provided the person receiving the service has agreed to its provision. Overall the income from such charges must not exceed the current full economic cost to the Council of the provision.

#### **Financial Implications**

29. These are contained in the report.

#### **Equalities Implications**

30. Where appropriate, Equalities Impact Assessments will be carried out for proposals.

## **Conclusion and next Steps**

31. If recommended by the Executive, the proposed charges for 2016 will be presented to Council at its meeting of 19 November 2015 for approval.

## **Appendices**

Appendix A – Fees & Charges Schedules – proposed prices 1% increase or held at 2015 prices

Appendix A2 – Fees & Charges for Residential Care

Appendix B – New Charges

Appendix C – Charges with proposed price changes in excess of 1%

Appendix D – Fees and Charges Review

Appendix E – Examples of data captured under the review.