

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO POLICY & FINANCE COMMITTEE

DECISION

Agenda Item No 10

meeting date: 16 NOVEMBER 2010
title: REVIEW OF FEES AND CHARGES
submitted by: DIRECTOR OF RESOURCES
principal author: LAWSON ODDIE

1 PURPOSE

- 1.1 To seek member approval on proposals to increase the council's fees and charges with effect from 4 January 2011 due to the increase in the rate of VAT from that date.
- 1.2 In line with the recommendations made by Budget Working Group on 21 October 2010, the proposal also looks to implement inflationary increases to charges from 4 January 2011, which would otherwise have been implemented with effect from 1 April 2011 in order to avoid potentially two successive price increases for fees and charges in relatively close proximity

2 BACKGROUND

- 2.1 In his 2010 Emergency Budget the Chancellor announced an increase in the standard rate of VAT from 17.5 per cent to 20 per cent effective from 4 January 2011.
- 2.2 This change affects any VAT registered business that sells or purchases goods or services that are subject to the standard rate of VAT.
- 2.3 Each of the council's service committees operate fees and charges for services that they provide, some of which attract VAT at the above mentioned rate. With the introduction of the new rate of VAT the council has two options:
- Leave Fees and Charges at their current rate – *where charges are subject to VAT this would reduce the level of income that the council retains, as a greater proportion of the income would need to be passed over to HMRC as VAT*
 - Review all Fees and Charges for the increase in the rate of VAT – *where charges are subject to VAT, whilst fees and charges would increase, the level of income retained by the council would remain unchanged.*
- 2.4 Budget Working Group also recommended that the inflationary increase which would normally take place on 1 April 2011 be brought forward to 4 January 2011. Any inflationary increase must raise charges overall by at least 3%, and be rounded up to the nearest 5p to minimise any problems with small change.
- 2.5 In the case of this Committee, the charges operated are not subject to VAT. Therefore the only increase that has been applied as part of this review is the inflationary increase.
- 2.6 Charges for the provision of meals under the Meals on Wheels scheme fall within this Committee. However, due to indications of potential third party funding changes, the service costs and its income are currently subject to a separate review and will be reported back to this committee at its next meeting.

2.7 Furthermore, charges for summonses are also set by this committee. These charges must be set in agreement with the courts and therefore a separate review of these charges is to be undertaken and a separate report will be brought back to this committee.

2.8 Proposed fees for Local Land Charges have been set out at Annex 1. However, the attention of members is drawn to the **part two report at agenda item 27**. Reference is made within that report to the setting of fees for Local Land Charges and therefore members may wish to defer a decision on these charges pending the outcome of that agenda item.

3 EARLY IMPLEMENTATION OF INFLATIONARY INCREASES TO FEES AND CHARGES

3.1 Each year as part of the budget process a review of our Fees and Charges is undertaken with a view to implementing increases from 1 April. This review is coordinated by financial services, working together with service managers and budget holders.

3.2 A proposed set of fees and charges for implementation from 4 January 2011 has been produced for this committee and is shown at Annex 1. This annex provides details of:

- the current charge for 2010/11
- the proposed charges for implementation from 4 January 2011
- the percentage inflationary increase on each charge

3.3 In order to provide some context to the list of charges at Annex 1, the table below provides some detail on the current budgeted level of income from Fees and Charges for each of the service areas.

| Cost Centre | Service area | Fees and Charges Original Estimate 2010/11 £ |
|-------------|------------------------------|---|
| LANDC | Local Land Charges | 76,940 |
| CLTAX | Council Tax and NNDR Summons | 75,750 |
| CIVST | Civic Suite | 3,600 |
| | TOTAL | 156,290 |

3.4 Whilst income of £76,940 is shown above for Local Land Charges, uncertainty remains around land charges income and the implications behind the revocation of the personal search fee from the beginning of August 2010.

4 CONCLUSION

- 4.1 This committee's charges are not subject to VAT and have therefore been reviewed for inflationary increases only.
- 4.2 By synchronising the inflationary and VAT increases across all of the council's services from 4 January it is possible to avoid two successive increases to some charges in other service areas. Implementation on 4 January also has the potential to raise a small amount of additional income in the current financial year.
- 4.3 Further reports will be brought to this committee following the separate reviews that are being undertaken on Meals on Wheels and Court Summons charges.

5 RECOMMENDATION THAT COMMITTEE

- 5.1 Consider the charges at Annex 1 and approve them for implementation on the 4 January 2011.

FINANCIAL SERVICES MANAGER

PF64-10/LO/AC
9 November 2010

POLICY AND FINANCE COMMITTEE – PROPOSED FEES AND CHARGES FOR IMPLEMENTATION FROM 4 JANUARY 2011

| LOCAL LAND CHARGES - LANDC | Ledger Code | VAT | Current Charge for 2010/11 | Proposed Charge from 4 January 2011 | Inflationary Increase Percentage |
|--------------------------------------|--------------------|-------------|---------------------------------------|--|---|
| | | | £ | £ | % |
| Search Certificate | LANDC/8408z | Non Vatable | 17.00 | 17.50 | 2.9% |
| Part I Enquiries | LANDC/8408z | Non Vatable | 90.00 | 93.00 | 3.3% |
| Part II Enquiries | LANDC/8408z | Non Vatable | 12.00 | 12.50 | 4.2% |
| Part II (Question 22) | LANDC/8408z | Non Vatable | 20.00 | 21.00 | 5.0% |
| Express Service | LANDC/8408z | Non Vatable | 140.00 | 145.00 | 3.6% |
| Personal (Imposed by Statute) | LANDC/8408z | Non Vatable | 22.00 | Suspended | - |

| CIVIC SUITE - CIVST | | Ledger Code | VAT | Current Charge | Proposed | Inflationary |
|--|--|--------------------|-------------|-----------------------|----------------------|---------------------|
| <i>All organisations to be charged without exception</i> | | | | for 2010/11 | Charge from 4 | Increase |
| | | | | £ | £ | Percentage |
| | | | | | | % |
| COMMITTEE ROOMS 1 AND 2 | | | | | | |
| Non Profit Making Organisations | - Session (09.00 - 13.00 or 13.00 – 18.00) | CIVST/8520I | Non Vatable | 18.25 | 18.80 | 3.0% |
| | - All Day | CIVST/8520I | Non Vatable | 35.60 | 36.70 | 3.1% |
| Commercial Organisations | - Session (09.00 - 13.00 or 13.00 – 18.00) | CIVST/8520I | Non Vatable | 46.20 | 47.60 | 3.0% |
| | - All Day | CIVST/8520I | Non Vatable | 69.00 | 71.10 | 3.0% |
| COUNCIL CHAMBER | | | | | | |
| Non Profit Making Organisations | - Session (09.00 - 13.00 or 13.00 – 18.00) | CIVST/8520I | Non Vatable | 35.60 | 36.70 | 3.1% |
| | - All Day | CIVST/8520I | Non Vatable | 69.00 | 71.10 | 3.0% |
| Commercial Organisations | - Session (09.00 - 13.00 or 13.00 – 18.00) | CIVST/8520I | Non Vatable | 69.00 | 71.10 | 3.0% |
| | - All Day | CIVST/8520I | Non Vatable | 114.70 | 118.15 | 3.0% |