ANNUAL CHARGES REVIEW 2021/22 BRIEFING NOTE - Finance and Governance Committee November 2020 – Agenda item 9

1. Background

As part of the budget setting process, the council reviews its charging schedule with agreed changes taking effect from the start of the financial year (1st April 2021).

This briefing note provides further information into the rationale behind the proposed charges for next year. In all cases, the intention is to obtain the correct balance between the council achieving a reasonable fee to cover the cost of providing the service, and continuing to provide effective, affordable services for residents and other users. Where indicated, benchmarking against other local providers has taken place to provide comparative data for members' consideration.

An effort has been made to, wherever possible, simplify the charging structure for the benefit of both residents and those staff members involved in dealing with queries in relation to fees and charges.

The council's fee structure is broken down into several categories, and each is examined below with proposed charges for consideration along with a number of recommendations set out in the paper.

2. General Fees

It is proposed to make no changes to the fees currently charged for the sale of parking discs or dog bags.

GENERAL	Current	Proposed 2021/22
Parking Discs	£1	£1
Dog bags – pack of 10 (suggested donation)	£1	£1

RECOMMENDATION 1 – No change to the general fees for 2021/22

3. Allotments

Members will recall that under the Allotments Act 1922, there is provision that allotment holders must be given 12 months' notice of any change in rental charges, unless otherwise stated in their tenancy agreement. The tenancy agreements were reviewed and updated during 2020, and this now enables the council to give three months' notice of changes in the future.

However, when the budget for 2020/21 was agreed, the older tenancy agreements were still in place, and it was therefore agreed to increase the price per rod to £4.70 with effect from October 2020 to comply with the notice requirement. When the budget for 2022/23 is set (late 2021) a price increase to take effect from 1 April 2022 can be agreed.

A proposal to apply a reduced fee in the event a tenancy is taken on with less than six months of the term remaining has been put to the E&FM Committee and is awaiting approval.

ALLOTMENTS	Current	Proposed 2021/22
Allotment rental (per rod)	£4.70	£4.70

RECOMMENDATION 2 – No change to the allotment fees for 2021/22

4. Cemetery

In assessing the price increase last year, a review of other local cemeteries was completed to assess how our fees compared. This exercise has been completed again this year, benchmarking six other cemeteries in the Mid Sussex District operated by Town and Parish Councils.

Each council sets its fee structure slightly differently and it was therefore difficult to obtain direct comparisons of all our fees as described. However, an average fee for comparative services was obtained and compared to our existing structure. Each of the six other cemeteries charges a multiplier for non-parishioners as below:

- Three councils charge 5 x parishioner fees
- Two councils charge 4 x parishioner fees
- One council charge 3 x parishioner fees

All the councils apply this multiplier to grave or ashes plot purchases and internments, but it was noted that only two of the councils apply this to ancillary fees relating to installation of monuments, administrative fees, etc. Hurstpierpoint & Sayers Common Parish Council currently charge 5 x fees to non-parishioners for plot purchases and internments, but the multiplier then varies for other services.

To further assist with clarification over the fees, a definitive agreement as to what classes a parishioner is required. Based on a review of wording used by other councils, the following definition of a parishioner is suggested:

Where the person to be interred, or in respect of whom the right is granted, is an inhabitant of the parish of Hurstpierpoint & Sayers Common.

To simplify the charging structure, the proposal recommends the following principles:

- The published fees are broken down into two parts
- Part 1 – purchase of a grave or ashes plot or internment - the council continue to charge 5 x fees to non-parishioners. The exception to this is the fee for a child where the resident fee is nil. Current non-parishioner fee is £200, and it is proposed this remains unchanged
- Part 2 – monuments and administration - the council charges a single fee (for parishioners and non-parishioners)

RECOMMENDATION 3 – To agree the above definition of a parishioner regarding the cemetery charging structure

RECOMMENDATION 4– To adopt the 5 x fees multiplier for non-parishioners for part 1 of the cemetery charging structure

RECOMMENDATION 5 – To charge a single fee for parishioners and non-parishioners for part 2 of the cemetery charging structure

The following tables compare the existing fees charged by Hurstpierpoint & Sayers Common Parish Council to the average of the benchmarked councils across Mid Sussex. The proposed increases are to raise the fees to closer to the average, or where already above average the recommendation is to make no change to the current fee.

Part 1 - Purchases and internments	Existing HSC fee	Average of benchmarked councils	HSC % of average	Proposed 2021/22
Single width burial plot	£375	£463	81%	£400
Double width burial plot	£750	£545	138%	£750
Internment	£135	£289	47%	£200
Garden of Rest plot	£135	£187	72%	£150
Ashes interred into existing grave	£100	£137	73%	£100
Ashes scattered on existing grave, or interred or scattered in Garden of Rest	£60	£182	33%	£100
Purchase of grave, Garden of Rest plot or internment of child (under 18)	£0	£45	n/a	£0 *

** Non-parishioner fee to remain at £200*

RECOMMENDATION 6 – To agree the proposed charges for part 1 of the cemetery charging schedule, where a 5 x fees multiplier will be applied to non-parishioners

Part 2 - Monuments and Administration	Existing HSC fee	Average of benchmarked councils	HSC % of average	Proposed 2021/22
For the right to install a headstone	£125	£151	83%	£150
For the right to install a set of kerbstones	£145	£141	103%	£150
For the right to add an inscription to an existing stone	£40	£50	80%	£50
For the right to place a Garden of Rest tablet or vase	£60	£72	83%	£65
Burial record search/grant amendment	£40	£51	78%	£45
Use of cemetery chapel	£95	n/a	n/a	£100

RECOMMENDATION 7 – To agree the proposed charges for part 2 of the cemetery charging schedule which will be the same for parishioners and non-parishioners

5. Court Bushes

In addition to determining the appropriate hire fees for Court Bushes, there is a need to clarify who the affiliate rate applies to, and to standardise the difference between the affiliate and public rates.

A review of the original hire rates policy for Court Bushes, shows that the fees were originally set on a standard and affiliate basis. Hirers were categorised as below:

Commercial

Companies or individuals who are trading or exhibiting, individual parties or one-off celebrations. This might include an individual who for example is running a yoga or dance class. These will be charged the full rates.

Non-profit

Local groups or clubs who can demonstrate that they are non-profit and are providing a service for community or social engagement. This would include special interest clubs. For these groups, the full rate is discounted by 25%.

Frequent

These can be either commercial or non-profit groups but who make a commitment to take regular slots for at least one year. The full rate is discounted by 25%.

Based on the above, an affiliate appears to be from either the *non-profit* or *frequent* categories. To make the fee structure clearer moving forward, it is recommended that a single standard fee is agreed, and then a 25% discount applied to qualifying hirers.

Confirmation of who qualifies for the discount is required. Applying the discount to those previously categorised as *non-profit* appears appropriate, but an improvement in the definition of *frequent* may be required. This would then enable a statement to be applied for all those who qualify for a discount. The suggestion is:

The discounted rate applies to local groups or clubs who can demonstrate that they are non-profit and are providing a service for community or social engagement, or for hirers booking a minimum of ten sessions at a time.

RECOMMENDATION 8 – To agree to charge a standard rate and apply a 25% discount to those who qualify.

RECOMMENDATION 9 – To agree the definition for those who qualify for the discounted rate.

A benchmarking exercise has been conducted, reviewing the fees charged by providers of other local facilities. To be able to draw direct comparisons, an hourly rate has been used. While the size and range of facilities at each venue differs, the comparisons are useful to gauge where our current fees sit within the local market. In each chart below, the fee for the hire of the largest available room within each venue has been used, and the figures for Court Bushes (and the Village Centre) are based on the current public rate.

Chart 1 below compares weekday daytime hire rates. Court Bushes is the cheapest option available locally, with the current fee 45% of the average of £13.46 per hour across the nine sites used in the benchmarking exercise.

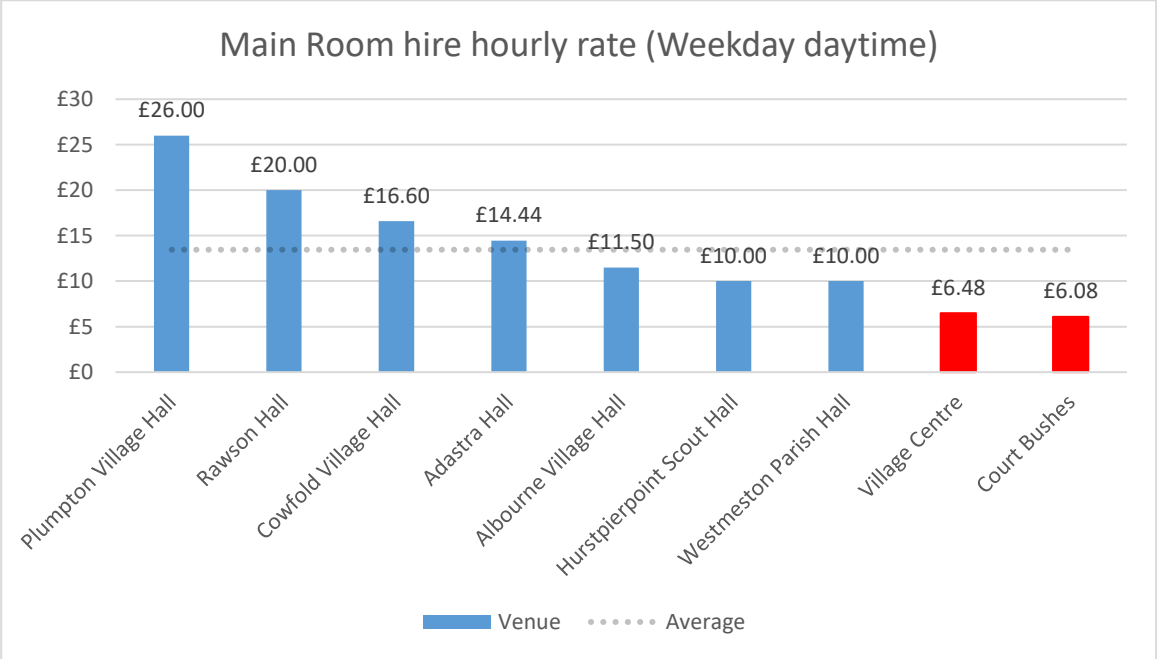

Chart 1

Chart 2 below compares Saturday daytime hire rates. Court Bushes is again the cheapest option available locally, with the current fee 57% of the average of £14.33 per hour across the nine sites used in the benchmarking exercise.

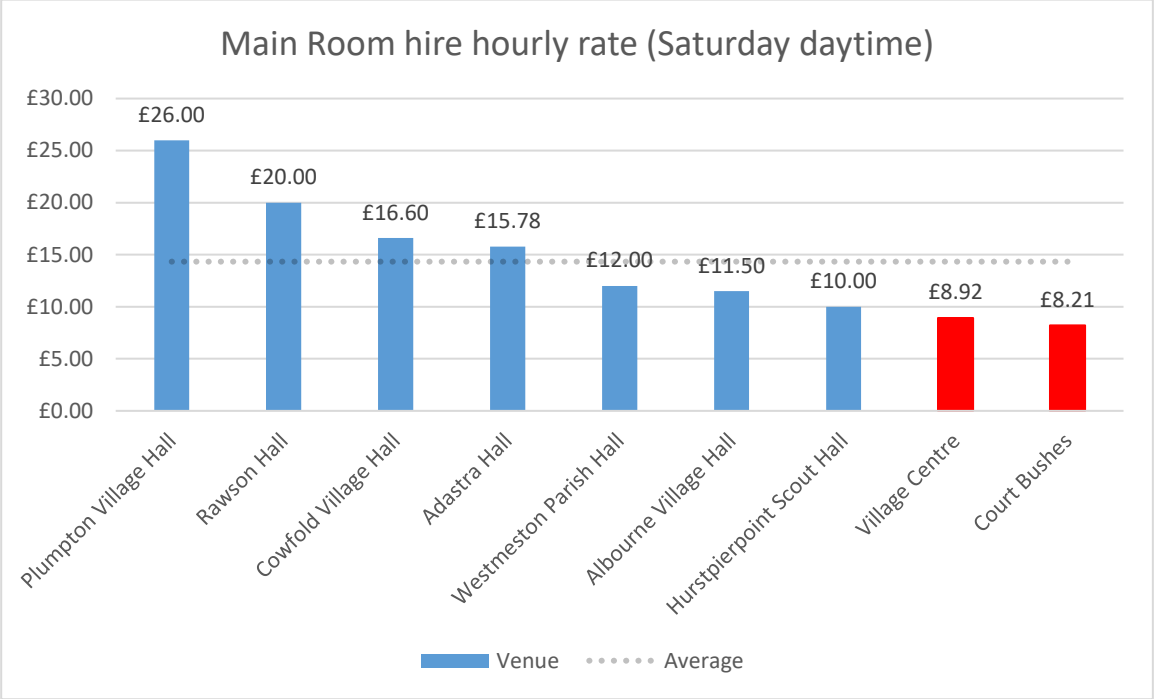

Chart 2

A simplified approach to the pricing structure would enable a single base level fee to be agreed for each room, then a simple factoring for other time slots can be applied evenly, as suggested below:

- Weekday daytime, Sunday daytime – base level
- Weekday evening, Saturday daytime – base level plus 25%
- Friday/Saturday evening – base level plus 75%

Future charges reviews would simply need to consider the base level price for each room, and then factor up accordingly for each session.

RECOMMENDATION 10 – To agree the standardised charging approach to room hire facilities.

On this basis, the proposed standard charges would be as below (with the 25% discount to be applied to qualifying hirers) for the Function Room. This equates to a weekday hourly rate of £7.20 (53% of the average across the area) and Saturday daytime hourly rate of £9.00 (63% of the average).

FUNCTION ROOM (STANDARD)	Morning 8am-1pm Current	Morning 8am-1pm Proposed 2021/22	Afternoon 1pm-6pm Current	Afternoon 1pm-6pm Proposed 2021/22	Evening 6pm-11pm Current	Evening 6pm-11pm Proposed 2021/22
Monday – Thursday	£30.40	£36.00	£30.40	£36.00	£35.50	£45.00
Friday	£30.40	£36.00	£30.40	£36.00	£55.80	£63.00
Saturday	£40.60	£45.00	£40.60	£45.00	£55.80	£63.00
Sunday	£30.40	£36.00	£30.40	£36.00	£35.50	£45.00

The same approach to the Club Suite would result in the hire fees as proposed below.

CLUB LOUNGE (STANDARD)	Morning 8am-1pm Current	Morning 8am-1pm Proposed 2021/22	Afternoon 1pm-6pm Current	Afternoon 1pm-6pm Proposed 2021/22	Evening 6pm-11pm Current	Evening 6pm-11pm Proposed 2021/22
Monday – Thursday	£22.30	£28.00	£22.30	£28.00	£28.40	£35.00
Friday	£22.30	£28.00	£22.30	£28.00	£28.40	£49.00
Saturday	£32.40	£35.00	£32.40	£35.00	£42.60	£49.00
Sunday	£22.30	£28.00	£22.30	£28.00	£28.40	£35.00

RECOMMENDATION 11 – To agree the Court Bushes base level charges of £36 for the Function Room and £28 for the Club Lounge.

Longer term, consideration should be given to whether the approach of booking by the current session length is appropriate. There have been reports of some potential hirers being put off booking by having to hire for a whole session where they only require one hour. Conversely, switching to hourly slots presents problems with potential overruns, and would need careful management to avoid being left with odd unfilled slots scattered throughout the week. A middle ground approach may be to consider breaking the time slots into five three-hour sessions.

Prior to the lockdown restrictions, regular hiring was at 32% of capacity and a change to the approach may lead to this increasing.

A consultation with regular hirers may reveal which longer term approach is most suitable for their needs and those of the Council in running the facility.

RECOMMENDATION 12 – To agree to consult with regular hirers over potential changes to the session/hour approach, with a view to making any agreed changes from 1 April 2022.

There are other fees applied to the hire of Court Bushes, and these are outlined below:

COURT BUSHES ADDITIONAL FEES	Current	Proposed 2021/22
Deposit (normal hire)	£50.00	£50.00
Deposit (party hire)	£200.00	£200.00
Locking up charge (Friday/Saturday evenings)	£30.00	£30.00
Crockery/Cutlery hire	£10.00	£10.00
Storage locker (per quarter)	£25.00	£25.00

RECOMMENDATION 13 – No change to the Court Bushes additional fees for 2021/22

6. Village Centre

The Parish Council staff complete work for the Village Centre and a cross charging arrangement is in place. This is based on 11 hours per week (5 for bookings, 3 for management and 3 for maintenance) at the average hourly total cost of staff members. For the current year, the rate was increased by 2.5% in anticipation of the pay rise taking effect from 1 April 2020. When announced, the actual pay rise was 2.75%

While it is not recommended to alter the current year charges, the additional increase should be considered when setting next years cross charge rate. An annual increase of 2.75% has been estimated to take effect from 1 April 2021.

VILLAGE CENTRE	Current	Proposed 2021/22
Staff cross charging hourly rate	£21.32	£21.96

RECOMMENDATION 13 – To increase the staff cross charging hourly rate to £21.96 with effect from 1 April 2021.

The proposed increase would result in a total cross charge for the year (assuming no change in the 11 hours per week) of £12,561.

The Village Centre charging structure for room hire is for the Trustees to determine, although it is in the interest of both the Council and the Trustees to align the charging principles and fees and there is an opportunity to do so as part of the current charges review.

If the charging principles under consideration by the council, i.e.

- Weekday daytime, Sunday daytime – base level
- Weekday evening, Saturday daytime – base level plus 25%
- Friday/Saturday evening – base level plus 75%

were applied to a proposal to be put before the Trustees, and the opportunity were taken to align the Court Bushes Function Room to the Village Centre Main Hall, and the two Club Suites were aligned, this would result in the following proposed fees.

MAIN HALL (STANDARD)	Morning 8am-1pm Current	Morning 8am-1pm Proposed 2021/22	Afternoon 1pm-6pm Current	Afternoon 1pm-6pm Proposed 2021/22	Evening 6pm-11pm Current	Evening 6pm-11pm Proposed 2021/22
Monday – Thursday	£32.40	£36.00	£32.40	£36.00	£39.50	£45.00
Friday	£32.40	£36.00	£32.40	£36.00	£53.70	£63.00
Saturday	£44.60	£45.00	£44.60	£45.00	£106.50*	£105.00
Sunday	£32.40	£36.00	£32.40	£36.00	£39.50	£45.00

** Hire includes use of Conference Room*

The anomaly with the Main Hall is the existing requirement that if you hire it on a Saturday evening, the hire fee includes the use of the Conference Room (which is unavailable to hire on its own on a Saturday evening). The suggested fee for the Saturday evening, while lower than currently applied, is based on the charging principles of combining the individual room fees.

CLUB SUITE (STANDARD)	Morning 8am-1pm Current	Morning 8am-1pm Proposed 2021/22	Afternoon 1pm-6pm Current	Afternoon 1pm-6pm Proposed 2021/22	Evening 6pm-11pm Current	Evening 6pm-11pm Proposed 2021/22
Monday – Thursday	£22.30	£28.00	£22.30	£28.00	£26.40	£35.00
Friday	£22.30	£28.00	£22.30	£28.00	£44.60	£49.00
Saturday	£26.40	£35.00	£26.40	£35.00	£44.60	£49.00
Sunday	£22.30	£28.00	£22.30	£28.00	£26.40	£35.00

CONFERENCE ROOM (STANDARD)	Morning 8am-1pm Current	Morning 8am-1pm Proposed 2021/22	Afternoon 1pm-6pm Current	Afternoon 1pm-6pm Proposed 2021/22	Evening 6pm-11pm Current	Evening 6pm-11pm Proposed 2021/22
Monday – Thursday	£20.30	£24.00	£20.30	£24.00	£22.30	£30.00
Friday	£20.30	£24.00	£20.30	£24.00	£22.30	£42.00
Saturday	£22.30	£30.00	£22.30	£30.00	n/a	n/a
Sunday	£20.30	£24.00	£20.30	£24.00	£22.30	£30.00

As the Conference Room is less likely to be used for parties/large gatherings, consideration could be given to reducing the Friday evening fee to base level plus 25%, i.e. £30.00 rather than £42.00.

Upon taking over as Trustees the Council agree that the increase in hire rates would be limited to CPI only through to April 2021 for the Pre-School and Gym Club, so there increase would reflect the applied CPI rate for a further year before aligning to the standard rates from April 2022 onward.

The final decision regarding the fees for the Village Centre rests with the Trustees, but the above information may be of use to the Council.

Andy Beams
LOCUM RFO
13 November 2020