



Prosperous Communities Committee

Date 23 October 2018

Subject: Proposed Fees and Charges 2019/20

Report by:

Strategic Finance and Business Support Manager

Contact Officer:

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Purpose / Summary:

Propose Fees and Charges to take effect from 1 April 2019.

RECOMMENDATION:

- 1. That Members consider the proposed fees and charges as detailed, and recommend to Corporate Policy and Resources Committee for approval.**
- 2. Managers keep fees and charges under review throughout the year and to implement changes during the year if required.**

IMPLICATIONS

Legal:

None arising as a result of this report

Financial : FIN/105/19

The 2019/2020 fees and charges are explained in the body of this report. The financial effects of the increases together with introducing new charges will be built into the Council's revenue budget.

The Fees and Charges base budget 2018/19 for this committee totalled £2,195,100. Statutory fees and charges make up £1,190,300 (54%) of the base budget. The remaining £1,004,800 (46%) are non-statutory

As most of these charges have been previously approved and/or remain static, and the fact that other charges are limited in demand there is only a minimal benefit for the MTFP of £7,600 – which is made up of an increase in income budgets of £10,200 due to inflationary increases and a reduction of £2,600 in relation to a drop in volume based on historic trends.

Where inflation has been applied to fees and charges at 3.4% in 2019/20, it is proposed that inflation is added at 2% to future year budgets within the MTFP which will increase the income in subsequent years by circa £6k pa.

The cumulative impact on the MTFP of the fees and charges review in relation to services within Prosperous Communities are;

Year	Increase in Contribution pa £	Cumulative Increase in Contribution £
2019/20	(7,600)	(7,600)
2020/21	(6,100)	(13,700)
2021/22	(6,500)	(20,200)
2022/23	(6,000)	(26,200)
2023/24	(5,700)	(31,900)

Staffing :

None arising as a result of this report

Equality and Diversity including Human Rights :

The Equality Act 2010 places a responsibility on councils to assess their budget options before taking decisions on areas that could result in discrimination. Where appropriate assessments have been undertaken by the relevant service areas.

Risk Assessment :

All items where necessary have been risk and equality impacted assessed by the relevant budget holder. Specific risks are explained within the body of the report.

Climate Related Risks and Opportunities :

There are no significant climate related risks and opportunities relating to this report.

Title and Location of any Background Papers used in the preparation of this report:

None.

Call in and Urgency:

Is the decision one which Rule 14 of the Scrutiny Procedure Rules apply?

Yes No

Key Decision:

Yes No

1 Introduction

- 1.1 This report and appendices set out the proposed fees and charges for 2019/20.
- 1.2 The Council has in place a corporate Fees, Charges and Concessions Policy which aims to provide clear guidance on a number of areas. In particular this focuses on how fees and charges can assist in the achievement of Corporate Priorities, the setting of new and reviewing of existing charges, the Council's approach to cost recovery and income generation from fees and charges and eligibility for concessions.
- 1.3 It is recognised that full cost recovery will be the customary approach, although this will not be appropriate in all circumstances and the amount charged will need to be a reflection of many factors including Council objectives, market conditions, the cost of collection and the potential impact on customers.
- 1.4 Work has been undertaken to bring these fees and charges in line with this policy, through reviewing existing fees and charges and considering the introduction of new charges for Council services, to recover costs and control demand.

- 1.5 As a minimum, inflationary increases would normally have been applied where possible with the exception of those set by statute.

2 Fees and Charges Policy and Process

- 2.1 The review of fees for 2019/20 has been undertaken with through a robust exercise including determining total service cost, determining a pricing level to ensure full cost recovery, then considering benchmarking data and market conditions to determine an appropriate charge.
- 2.2 Budget Managers have worked with their Finance Business Partner in undertaking this review.
- 2.3 The review has in the main tried to consider the full cost recovery constraints. However, the process has been influenced to a degree by issues where the Council considers, through the benchmarking exercise that the charge proposed is fair and reasonable for the service being provided.
- 2.4 The greatest risk/concern for Managers is receiving challenges to the level of fees and charges set. There is sound justification to support the proposed fees and, where the fees proposed do not reflect the full cost of providing the service, there is a sound basis for the decision based on the Managers understanding of the commercial environment.
- 2.5 Where fees have been reviewed, having a greater regard to benchmarking data, we have tried to ensure that they are at a level whereby they do not vary substantially when compared to other local authorities in the area. In most cases the proposed fees remain around the median to third quartile on the benchmarking range to reduce the likelihood of challenge.
- 2.6 In areas where the Council experiences external competition, again we have tried to ensure that the rates remain competitive and value for money. It would not be prudent to risk pricing ourselves out of the market just to satisfy an aspiration to achieve a set increase in fee income. It is not believed that the proposed fees will price ourselves out of the market but it is vital to allow Managers some flexibility on fees when trying to secure business, without breaching any regulations.
- 2.7 By undertaking a detailed income and expenditure review and coupled with the previously undertaken benchmarking process, we have given confidence in our approach and proposals.
- 2.8 Given the general belief that our proposed fees and charges are fair and reasonable the significant risks to fee income are not with fee levels themselves but with the achievable volumes and delivering against business plans.
- 2.9 The fees and charges will be subject to continuous monitoring during the year to either implement changes during the year if required, or to feed into the following years Medium Term Financial Plan.

3. Fees and Charges Review

- 3.1 Of the 512 fees and charges reviewed 48% are statutory and 52% are non-statutory.
- 3.2 Of the 246 statutory fees and charges set by Central Government 86% have experienced no change in the level of fees with 5% seeing an increase in fees, and 6% seeing a decrease. There have been 6 new statutory fees and charges (3%) within Planning Applications.
- 3.3 The increases in fees and charges for statutory services sit primarily within Environmental Services and relate to fees and charges set by Defra. An announcement regarding any changes to these fees and charges is expected in February 2019 and the schedule will be updated to reflect any amendments once known.
- 3.4 Of the 266 non-statutory fees and charges 40% have experienced no change in the level of fees charged, 53% of the fees and charges have increased and 2% have decreased. There have been 14 new non-statutory fees and charges (5%) within Licensing.
- 3.5 Of those non-statutory fees and charges increased this equates to an average of £17.27 in monetary terms.
- 3.6 In relation to Car Parking Permits increase for 2019/20 these have previously been approved by both Committees and are included for completeness.
- 3.7 The majority of the remaining increases in non-statutory fees and charges are as a result of applying inflation. Standard RPI (June 2018) increase of 3.4% has been applied to the following areas;
- Bulky Waste Collections
 - Pre-App Planning Advice
 - Cemeteries
 - Licensing
 - Land Charges
- 3.8 The following services are currently provided with prices on application;
- Trinity Arts Centre
 - Building Control Commercial Services

It is proposed that the following fees and charges are also removed with prices on application. This is due to the variety of requirements of customers. Pricing models have been developed to assist officers in developing a price range, based on the individual requirements and specifications of the customer.

- Trade waste services
 - Private street cleansing work
 - Room hire
- 3.9 The proposed fees and charges will apply from 1st April 2019, unless there are other constraints preventing this, in which case the operative date will be as soon as practicable after 1st April.

3.10 The following appendices provide the detail and analysis of pricing and demand and the proposed changes are summarised by service area below;

Appendix A: Car Parks

Fees proposed are in accordance with the Gainsborough Car Park Strategy approved previously. Charges for Market Rasen permits is to be considered by members separately and will be integrated into the schedules once approved.

Appendix B: Cemeteries

Increase by inflation at 3.4%.

Appendix C: Environment Services

Mainly statutory fees set at the maximum.

Appendix D: Fixed Penalty Notices

Mainly statutory set charges. The maximum charge allowed, as set by Government, for failure to comply with a waste receptacles notice has been increased;

Domestic – increased by £25 to £100

Industrial and Commercial – increased by £15 to £75

No change to locally set fees and charges.

Appendix E: Land Charges

Increase by inflation at 3.4%.

Appendix F: Licensing

There has been one reduction in Fees charged for the year.

The reduction relates to the New/Renewal site fee for the year 2 annual inspection costs, which have been reduced from £464 to £240 to bring it in line with the year 1 and 3 inspection fees.

An inflationary increase has been applied of 3.4% for all non-statutory fees that WLDC have the powers to set.

Appendix G: Markets

There is an ongoing review of the service - proposed no change at this time, pending Member decision later in the year.

Appendix H: Planning

Planning fees are statutorily set and were increased by 20% in January 2018.

Proposal to increase Pre-Application Advice by inflation at 3.4%.

Appendix I: Strategic Housing

Housing Enforcement Charges:

It is proposed to reduce the standard enforcement fee within housing by £50, from £300 to £250. This fee more accurately reflects the average time taken by officers to investigate and deal with cases where notices are served and fees can be applied. This fee is also in line with other local authorities from Lincolnshire and the East Midlands as per a recent benchmarking exercise carried out within the service.

It is proposed that the fee for Mandatory HMO Licence Application is increased authorities.

It is essential the Council recovers its costs in relation to this type of work, which is brought about in the main by landlords who do not meet their legal obligations under the Housing Act.

Selective Licensing

These fees are agreed and set for a 5 year period until 2021 in line with the legislation.

Appendix J: Waste Services

Increase by inflation at 3.4%.

Propose to remove set rates to allow the service to determine an appropriate price.

- a) Trade Waste – Propose to remove all fees and charges with prices now on application, this is due to the variety of requirements of customers. A pricing model has been developed to assist officers in developing a price range, based on the individual requirements and specifications of the customer and market conditions.
- b) Private Street Cleansing work will also be on application in order to meet the requirements of the customer and remain competitive within the market.

Appendix L: Building Control (Commercially Sensitive)

Charges have been based on a cost recovery basis but are considered to be commercially sensitive.

*The Proper Officer has determined in preparing Appendix L that paragraph 3 should apply. The view on the public interest test was that while he was mindful of the need to ensure the transparency and accountability of public authority for decisions taken by them in relation to

the spending of public money, disclosure of the information would give an unfair advantage to tenderers for commercial contracts.

This information is not affected by any other statutory provision which requires the information to be publicly registered.

On that basis it was felt that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Members are asked to consider this factor when excluding the public from the meeting.