



**Corporate Policy and
Resources**

Thursday, 22 July 2021

Subject: Fees Charges and Concessions Policy Review

Report by:

Section 151 Officer

Contact Officer:

Sue Leversedge
Business Support Team Leader

sue.leversedge@west-lindsey.gov.uk

Purpose / Summary:

To summarise the process of reviewing Fees & Charges for 2022/2023 and to approve the updated Fees Charges and Concessions Policy.

RECOMMENDATION(S):

1. To approve the amended Fees Charges and Concessions Policy, to be applied to the review of Fees and Charges for the 2022/2023 MTFP.

IMPLICATIONS

Legal: Where fees and charges are set by legislation at national statutory rates, these will be applied as notified.

Financial : FIN/50/22/B/SL

The Fees Charges and Concessions Policy informs the approach to reviewing those fees and charges which are discretionary, and therefore within the Councils power to set.

The Policy has been reviewed for 2022/2023 to align to the Corporate Plan 2019-2023, and to provide the key focus points required for a robust and transparent review, and will be reviewed every 3 years as a minimum.

The outcome of the review of fees & charges for the financial year 2022/2023 will be reported to officers and members as part of the budget setting and MTFP approval process.

Staffing : None arising as a result of this report.

Equality and Diversity including Human Rights: Concessions are included within the policy.

Data Protection Implications : None

Climate Related Risks and Opportunities: The wider strategy for car parks fees is to be reviewed with a wider view, taking into account the impact on carbon emissions etc. of car travel/public transport.

Section 17 Crime and Disorder Considerations:

Some fees and charges are set to discourage anti-social behaviours i.e. the bulky waste services and impact on fly tipping.

CCTV service charges are set to encourage take up of the service to increase public safety in the district and reduce anti-social behaviour.

Fixed penalty notices are set by the Government to enable Local Authorities to take action against anti-social behaviour.

Health Implications: None arising as a result of this report.

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

Wherever possible please provide a hyperlink to the background paper/s
If a document is confidential and not for public viewing it should not be listed.

Risk Assessment :

There is a risk that an increase in fees and charges may impact on the usage of the service resulting in budget pressures. The forecast demand applied is an estimate of demand post-Covid and is subjective.

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

X

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

1. The Fees and Charges Review Process 2022/2023

The annual review of Fees and Charges for 2022/2023 will encompass several key factors to ensure that we have a detailed picture of the forecast impact on the MTFP for the period 2022/2023 to 2026/2027.

The Council will also seek to assess the bearing on chargeable services of expected demand for services as the District recovers from the pandemic, and any ongoing implications as we move to the 'new normal'. There will therefore be greater emphasis on looking at the long-term forecast, based on expected demand and proposed charging rates.

The focus of the fees and charges review for 2022/2023 will be:

1.1 Non-statutory discretionary fees, which are within our control:

- What would the fee need to be to achieve total cost recovery?
- Benchmarking data –
 - Geographical neighbours (**Appendix 1**)
 - Statistical 'near neighbour' groups – those councils identified by Cipfa (Chartered Institute of Public Finance and Accountancy) as having similar economic and social characteristics (**Appendix 1**)
 - Commercial businesses who offer the service

The challenge around benchmarking is that we are comparing apples to onions in some service areas, where different councils apply different criteria, particularly bulky waste, car parking and planning services, making comparisons difficult.

- Past demand – pre-Covid levels
- Future demand – what the expected demand is as we recover from the pandemic, over the 5 to 10 years of the MTFP
- Identify any ongoing pressures expected as we move to the 'new normal'
- Identify where savings are achieved as a direct result of a pressure on fee income (i.e. if trade waste income reduced, we would see a reduction in waste disposal charges)
- Sensitivity analysis – at what point will demand be affected by price?

1.2 Statutory non-discretionary fees:

- Review the statutory fees by viewing the latest published guidance for each service area
- Past demand – pre-Covid levels
- Future demand – what the expected demand is as we recover from the pandemic, over the 5 to 10 years of the MTFP
- Identify any ongoing pressures expected as we move to the 'new normal'
- Identify where savings are achieved as a direct result of a pressure on fee income (i.e. trade waste income was reduced, we would see a reduction in waste disposal charges)

1.3 Objectives of the Review

The objective of the review is to provide a clear and transparent picture for officers and Members of the ongoing impact of proposed fees and charges on the MTFP of the Council, and to ensure all parties are aware of the impact of any proposed amendments to the charging schedules, and the rationale behind proposals.

Where increases above inflation, or decreases in current fees, are proposed for a service area, a full explanation of the calculation and rationale behind the proposal will be provided to enable officers and members to make an informed decision, and to ensure the basis would stand up to public scrutiny.

Service managers will work with their Finance Business Partners (FBP) to collate the required information and provide a proposed charging schedule for each service area.

The initial proposal will then be discussed in a meeting with the Assistant Director for each service area to provide an additional layer of challenge and feedback before the final proposal proceeds through the reporting cycle.

1.4 Timelines

The timelines for the Fees and Charges review and approval process is outlined below:

Date	Action
08/06/2021	Commence fees and charges review
22/07/2021	Review of Fees Charges and Concessions Policy
20/08/2021	Meetings with Assistant Directors completed
31/08/2021	Review of Fees and Charges completed
24/09/2021	Commercial Board
04/10/2021	Management Team
02/11/2021	Prosperous Communities Committee
11/11/2021	Corporate Policy and Resources Committee
07/03/2022	Council

2. The Fees Charge and Concession Policy Review 2022/2023

The policy document has been updated to reflect the fees and charges profiles within the Council (i.e. concessions, discounts available), and to align the document to the Corporate Plan 2019-2023.

The amended policy is contained within the report at **Appendix 2**.

The key areas of change from the current version of the policy are;

- An emphasis on the rationale behind proposed fees being open and transparent to enable informed decision making by officers and members, and to ensure the basis would stand up to public scrutiny (2.3).
- Any major changes (i.e. new discretionary charges or significant changes) will require a detailed explanation of the basis for the proposal to be provided, which gives an analysis of the market, the financial implications, the risks associated with the proposal and how it meets the Corporate Objectives of the Council (4).
- Updated information regarding current Concessions (4.2.3) and Discounts (4.2.5)
- Focus on incorporating analysis of demand into the review of fees and charges, to provide a longer-term forecast of the impact on the MTFP based on both fee levels set and demand (5.1).
- To identify benchmarking data (5.1 & 5.2):
 - Geographical neighbours
 - Statistical 'near neighbour' groups – those councils identified by Cipfa as having similar economic and social characteristic
 - Commercial businesses who offer the service
- Apply inflationary increases as a minimum (5.1).
- Where the proposal is to maintain the charge at the current rate into the next financial year the service must provide a robust rationale (5.1).
- Where amendments to charges are proposed above the rate of inflation, the calculation basis and rationale behind the proposal must be presented to support the decision making (5.1).
- Where pressures within budget lines are identified based on projected volumes/demand any resultant savings on expenditure budgets must be identified i.e. a reduction in commercial waste would result in a saving on disposal costs (5.1)