



**Prosperous Communities**

**Tuesday, 2 November 2021**

**Subject: Proposed Fees and Charges 2022/2023**

|                    |  |
|--------------------|--|
| Report by:         | Assistant Director, Finance, Business and Property Services (Section 151 Officer)        |
| Contact Officer:   | Sue Leversedge<br>Business Support Team Leader<br><br>sue.leversedge@west-lindsey.gov.uk |
| Purpose / Summary: | Propose Fees and Charges to take effect from 1 April 2022.                               |

**RECOMMENDATION(S):**

1. That Members consider the proposed fees and charges for 2022/2023 as detailed, and make recommendation to Corporate Policy and Resources Committee for approval.

**IMPLICATIONS**

**Legal:**

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

## Financial : FIN/98/22/PC/SL

The 2022/2023 fees and charges are explained in the body of this report. The budgetary implications of any amendments to fees and the forecast level of demand for each service, together with introducing new charges will be built into the Council's revenue budget.

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 a minimal benefit for the Medium Term Financial Plan (MTFP) of £1,600 in 2022/2023, rising to £107,700 in 2026/2027, as a result of the amendments to fees proposed within this report, and the projected demand for services.

Where inflation has been applied to fees and charges at 3.9% in 2021/22 (June 2021 RPI), it is proposed that inflation is assumed to be 2% for future year budgets within the MTFP.

Details of the proposed amendments in each service area are contained within the report at Section 4.

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

| Increase in Contribution pa £ | Year    | Cumulative Increase in Contribution £ |
|-------------------------------|---------|---------------------------------------|
| (1,600)                       | 2022/23 | (1,600)                               |
| (8,900)                       | 2023/24 | (10,500)                              |
| (22,200)                      | 2024/25 | (32,700)                              |
| (12,700)                      | 2025/26 | (45,400)                              |
| (62,300)                      | 2026/27 | (107,700)                             |

Fees and charges will be kept under review throughout the year. If necessary changes are identified during the financial year, these will be reported directly to the Corporate Policy and Resources Committee for approval as appropriate.

Please note that the schedules and appendices for Bulky Waste and Garden Waste are excluded from this report, and are the subject of separate reports to be presented to this Committee.

**Staffing none** arising because of this report.

**Equality and Diversity including Human Rights:** None arising as a result of this report.

**Data Protection Implications:** None arising as a result of this report.

**Climate Related Risks and Opportunities :**

None arising as a result of this report.

**Section 17 Crime and Disorder Considerations :**

Some fees and charges are set to discourage anti-social behaviour i.e. the bulky waste service 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 fees 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:**

None.

**Risk Assessment :**

**RISK:** There is a risk that an increase in fees and charges may impact on the usage of the service resulting in budget pressures.

**MITIGATION:** There is a minimum working balance of £2.5m available to cover any in year pressures.

**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 Introduction**

- 1.1 This report and appendices set out the proposed fees and charges for 2022/2023.
- 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 Objectives, 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 fees set by statute.

## **2 Fees and Charges Policy and Process**

- 2.1 The review of fees for 2022/2023 has been undertaken 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 inform an appropriate charge.
- 2.2 Consideration has been taken of the potential implications of Covid-19 recovery on chargeable services. The budgetary implications contained within this report relate to any proposed amendments to fees, and the expected demand for services over the period of the Medium Term Financial Plan.
- 2.3 Team Managers have worked with their Finance Business Partner in undertaking this review.
- 2.4 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.
- 2.5 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.

- 2.6 Where fees have been reviewed, having a greater regard to benchmarking data where such data is available, 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 surrounding area.
- 2.7 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.
- 2.8 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 through Corporate Policy and Resources Committee, who may implement changes during the year, or will inform the following years Medium Term Financial Plan.

### 3 Fees and Charges Review

- 3.1 Of the 616 fees and charges reviewed, 31% are statutory and 69% are non-statutory. In terms of 2021/2022 forecast outturn this equates to:

|               | 2021/22<br>Forecast £ |             |
|---------------|-----------------------|-------------|
| Statutory     | 1,146,100             | 31%         |
| Non-Statutory | 2,522,300             | 69%         |
| <b>Total</b>  | <b>3,668,400</b>      | <b>100%</b> |

#### Statutory / Statutory Range Fees

- 3.2 Of the 253 statutory fees and charges set by Central Government;

80% have experienced no change in the level of fees  
 19% seeing an increase in fees chargeable  
 1% has decreased

- 3.3 The increases in fees and charges for statutory services sit within;
- Revenues in relation to court costs applied
  - Licences issued under the Gambling Act
  - Fixed Penalty Notices – depositing litter
  - Planning for public path orders

- Environmental Services - Private water supply work (maximum hourly charge)
- 3.4 The decreased fees are two lines within the Planning Applications schedule for 'new dwelling houses'.

### **Non-Statutory**

- 3.5 Of the 363 non-statutory fees and charges;
- 41% have experienced no change  
57% have increased the fees chargeable  
2% are new fees for 2022/2023
- 3.6 Of those 206 (57%) non-statutory fees and charges which have increased, this equates to an average of £10.00 in monetary terms (net of VAT), or 4.7% in terms of percentage increase applied.
- 3.7 The following services are currently provided with prices on application;
- Trinity Arts Centre (except room/theatre hire)
  - Trade waste services
  - Private street cleansing work
  - CCTV services

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.

- 3.8 The following fees and charges are to be submitted to Corporate Policy and Resources Committee for approval as part of the 'Budget and Treasury Monitoring – Quarter 2 2021/2022' report, to be applied in this financial year. They are included here for completeness and subject to approval;

#### **1. Crematorium**

- Extra Work (Pro Tribute), £21.00 including VAT, for both 2021/22 and 2022/23.

#### **2. Cemeteries**

- Child Grave up to 17 years, £172.00 for both 2021/22 and 2022/23.
- New rates for non-resident interments – see schedule contained in Appendix 5 for details.

#### **3. Strategic Housing**

- Financial Penalty – Electrical Safety Standards in the Private Rented Sector – up to £30,000 for both 2021/22 and 2022/23.

- 3.9 The proposed fees and charges will apply from 1<sup>st</sup> April 2022, unless there are other constraints preventing this, in which case the operative date will be as soon as practicable after 1<sup>st</sup> April.

The appendices provide the detail and analysis of pricing and demand and the proposed charges, and are summarised by service area below:

## **4. SUMMARY OF PROPOSED FEES AND CHARGES BY SERVICE AREA**

### **4.1 Appendix 1: Car Parks**

Fees were set in accordance with the Car Park Strategy, effective from 1<sup>st</sup> April 2018.

A revised Car Park Strategy is due to be presented to Committee later this financial year, and it is proposed not to amend the parking fees at this time, pending the outcome of that review.

**There is no impact on the MTFP.**

### **4.2 Appendix 2: Cemeteries**

Recent benchmarking shows the fees set for this service are now more in alignment with neighbouring councils. The 2019/2200 approved increase was the final step towards the charges set by other councils. With effect from 2022/2023, the proposal is to increase fees by inflation at 3.9%, rounded to the nearest 50p.

**There is no impact on the MTFP in 2022/2023, due to the minimal budget for the service area.**

### **4.3 Appendix 3: Environment Services**

This schedule consists mainly of statutory fees set at the maximum level. The charges for 2022/2023 are expected to be reviewed in February 2022 and the schedule of charges will be updated to reflect any changes.

All works undertaken are charged on a case-by-case basis, costed on the actual time taken up to a maximum charge that is set by statute. In the last 12 months the maximum fee set by statute has been sufficient to cover costs.

Of those fees which are non-statutory, inflation at 3.9% increase has been proposed, to bring into line with benchmarking data.

**There is a minimal increase in income of £100 for this service in 2022/2023.**

### **4.4 Appendix 4: Fixed Penalty Notices**

The charging schedule sets out where fees are set by statute and where fees are set by the Council. It is proposed that the fees set by the Council remain

largely the same as post analysis they are deemed to cover the costs that are incurred within the service.

Statutory charges will be applied in accordance with legislation.

There is one non-statutory fees which relates to High hedge complaints. Currently the fees is set at £325. A cost recovery exercise has taken place and a more appropriate fee would be £595. Current bench marking suggests this increase is in line with what other authorities charge.

**There is a minimal increase in income of £500 for this service in 2022/2023.**

#### **4.5 Appendix 5: Land Charges**

The service has proposed an increase of inflation at 3.9% across all fees and charges within the service area. The resulting charges are consistent with benchmarking data for neighbouring Authorities.

In the previous year we had applied a 6% increase to all fees or 50 pence.

LLC1 fee of £24.00 per search will stop once Land Registry take over the declaration of registrations. This is anticipated to be before end March 2022. This is forecast to create a net pressure of £38,700 in 2022/2023, reducing to £16,800 in 2026/2027.

The service plan is to recover the loss of income by increasing market share, but this will take time.

**Due to the expected cessation of the LLC1 fee, there is a decrease in income of £38,700 for this service in 2022/2023.**

#### **4.6 Appendix 6: Licensing**

The majority of the charges are statutory, or a statutory-range where the maximum amount is charged.

Inflationary increase of 3.9% has been applied for all non-statutory fees that WLDC have the powers to set unless the statutory maximum has been reached. The proposed increases have been applied with a view to achieving total cost recovery, and to be consistent with charges being applied by neighbouring Authorities.

**There is a minimal increase in income of £2,300 for this service in 2022/2023.**

#### **4.7 Appendix 7: Markets**

It is proposed that charges are frozen at the current rate to support the trader and the town centre, pending the service review later in the year.

**There is no impact on the MTFP.**



#### **4.8 Appendix 8: Planning**

As the planning application fees are statutory set we are unable to do any impact analysis.

The proposal is for the pre-application advice fees to be increased by 3.9% equivalent to inflation and rounded to the nearest £, except for a couple of fees which are detailed in Appendix 11 (Section 6).

There has been a continued focus on reducing overhead service costs through more efficient practices. Planning files are now digital / online, and measures are in place to reduce the demand for site visits.

The Planning Service are seeking to set ambitious targets but do not want to frame the service in an unrealistic light as significant change to the Planning system is proposed by the Government over the forthcoming years.

**There is a minimal increase in income of £2,600 for this service in 2022/2023, however in 2026/2027 the planning fee income increases by £45,000 to reflect expected demand.**

#### **4.9 Appendix 9: Strategic Housing**

It is proposed to apply inflation at 3.9% to the current years' fee. Except for Mandatory HMO Licences which have been rounded to whole pounds.

##### New Fees

There is now provision within legislation to issue a financial penalty to landlords for failing to meet the required electrical standards.

**There is a minimal increase in income of £400 for this service in 2022/2023.**

#### **4.10 Appendix 10: Waste Services**

Bulky Waste and Garden Waste collections are subject to separate reports for PC – PC recommendations from meeting on 2 November 2021 are to be added into the Fees and Charges report for CP&R committee.

#### **4.11 Appendix 11: Trinity Arts Centre**

Theatre rehearsal and duty manager charge to increase by inflation at 3.9%.

Room hire to increase by 6%.

Film charges have been benchmarked against Kinema in the Woods. We propose to increase the tickets prices by 50p per ticket. Adults £6.50 and Concessions £5.50.

All other fees & charges generated by the centre are Price on Application (POA) to assist officers in developing a price range, based on the individual requirements and specifications of the customer.

### New fees

During the period of closure, the centre management went about improving the facilities. Included in this was the relocation of the cleaners' storeroom, which gave way for a new hireable space. This room has been redesigned to act as a small meeting/gallery space and is named after the building's architect: Thomas Johnson. This new room presents a new charge and will contribute to the variety of offerings at Trinity for those seeking to use spaces for different means.

**There is an increase in income of £6,800 for this service in 2022/2023.**

### 4.12 Appendix 12: Crematorium

Direct cremations maximise staff time and use of equipment that may otherwise not be utilised at less favourable times during the day. Other Crematoriums have reduced their Direct Cremations service fees by as much as £100 to try to increase their market share. Direct Cremations play an important part of our service and running cost efficiency, to remain competitive we are proposing to only increase this fee by £1.50 (0.3%) and round the charge to £465.

Cremation services have been increased by 2.5% rather than inflation at 3.9%. This decision has been made to ensure we stay competitive with other Cremation providers. This is especially important as we are still establishing ourselves in the market.

Secondary spends, such as memorials, which can be considered a luxury item, have been increased by inflation at 3.9%.

Strewing/scattering of cremated remains in our Garden of Remembrance from another crematorium has been frozen at the current rate of £55. As we have not been able to allow any scattering of remains we feel it would be wrong to increase this price as we begin to be able to offer this service. It is important to try and attract these customers as we look to embed Lea Fields Crematorium in the local community, this could lead to families choosing Lea Fields for future services taking place at our crematorium, it will also encourage memorial sales for loved ones scattered here.

**There is an increase in income of £27,600 for this service in 2022/2023.**

### 4.13 Appendix 13: Communities

In light of the implementation of the fee being effective from September 2020, it is proposed that the fee is maintained at the current level of £100 (incl. VAT) for 2022/2023.

An analysis of cost recovery and service take up will inform a review of the fee for the year 2023/2024.

**There is no impact on the MTFP at this point, as income generated from the maintenance scheme will be utilised to purchase the required equipment.**

#### **4.14 Appendix 14: CCTV Service (Commercially Sensitive\*)**

Charges are Price on Application but analysis of income generation is provided within the Appendix for information.

#### **4.15 Appendix 15: Building Control (Commercially Sensitive\*)**

Charges are based on a cost recovery basis but are considered commercially sensitive.

#### **4.16 Appendix 16: Trade Waste (Commercially Sensitive\*)**

Charges are Price on Application but analysis of income generation is provided within the Appendix for information.

*\*The Proper Officer has determined in preparing Appendices 14, 15 & 16 that paragraph 3 should apply. The view of 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.*