



Prosperous Communities Committee

24 October 2017

**Subject: Proposed Fees and Charges 2018/19**

Report by:

Finance and Business Support Manager

Contact Officer:

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Purpose / Summary:

Propose Fees and Charges to take effect from 1 April 2018.

**RECOMMENDATION:**

- 1. That Members consider the proposed fees and charges, as detailed and make recommendation 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/79/18

The 2018/2019 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 Councils 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 only a minimal benefit for the MTFP of £7,000.

We await any announcement on increases in Planning Fee income within the Chancellor's Autumn Statement.

### **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:**

### **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 2018/19.
- 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 2018/19 have built on the robust exercise carried out in 2017/18, combining the benchmarking process previously undertaken with an assessment of the level of cost recovery where information is available.
- 2.2 The service areas have worked with their Finance Business Partner to review the levels of income against the costs of providing the service to understand and determine the level of cost recovery.
- 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 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 513 fees and charges reviewed 46% are statutory and 54% are non-statutory.
- 3.2 Of the 237 statutory fees and charges set by Central Government 76% have experienced no change in the level of fees with 24% seeing an increase fees. There have been no reductions.
- 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. They have agreed an increase of 4.5% across all charges they set the rates for. This was done after consultation with local authorities over whether the fees as they stood recovered full costs.
- 3.4 Total income for fees and charges within the service equates to £4,600 per annum. Whilst the 4.5% increase does ensure full cost recovery it has not led to an increase in the overall income budget for the service.
- 3.5 Of the 273 non-statutory fees and charges 62% have experienced no change in the level of fees charged, 38% of the fees and charges have increased.

- 3.6 One element of the increases in the fees and charges are as a result of business cases that have been presented in year to increase fees, this includes car parks and cemeteries which have already been approved during 2017/18.
- 3.7 Land Charges and Pre App Planning Advice - include a standard RPI increase of 3.5%. In the case of Land charges this has realised an estimated increase in income of £4,000. For pre application advice this will realise a projected increase in income of £1,900. These increases will be built into the MTFP.
- 3.8 Licencing - Increase by RPI with the exception of Vehicle licenses which will remain static as currently this provides full cost recovery. In respect of Sex Shop/Entertainment venues (we have one such premise). The make-up of costs has been reviewed and in respect of the renewal there is no legal cost applicable, therefore this fee is to be reduced.
- 3.9 The final reduction relates to the fee and charges for Reclaim of stray dogs collection fee, this was an error within fees and charges. The collection rate has always been £42.00 but included within fees and charges at £75.00. This has been corrected, there is no impact on income.
- 3.10 The proposed fees and charges will apply from 1<sup>st</sup> April 2018, 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.
- 3.11 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 – Pricing is currently subject of a consultation exercise. Fees proposed are in accordance with the Gainsborough Car Park Strategy approved earlier this year.

Appendix B Cemeteries – Previously approved charges for 2018/19, therefore provided for information

Appendix C Environment Services – Mainly statutory fees set at the maximum.

Appendix D Fixed Penalty Notices – Mainly statutory set charges. Proposal to remove the discounted rate for Fly tipping of £250 – all charges therefore £400. No change to locally

Appendix E Land Charges – Proposed increase of 3.5% across all charges.

Appendix F Licencing – Inflationary increases 3.5%, Vehicles licences remain static and Sex Shop Licence renewal reduced.

Appendix G Markets – Ongoing review of the service - proposed no change at this time.

Appendix H Planning – Planning fees are statutorily set. Proposal to increase Pre Application Advice by 3.5%

Appendix I Strategic Housing – Propose no increase. The Selective Licensing charge was set for a 5 year period up to 2021

Appendix J Trinity Arts Centre – Propose to remove all fees and charges with prices now on application, this is due to the variety of requirements of customers.

Appendix K Waste Services – No increase (slight roundings), Trade Waste charges will be on application and set within a competitive market.

Appendix L Building Control (Confidential) – no increase proposed as current fees considered competitive in the market and full cost recovery is being achieved.