

**Fees and Charges 2020/21**

<b>Final Decision-Maker</b>	Economic Regeneration and Leisure Committee
<b>Lead Head of Service</b>	Mark Green, Director of Finance & Business Improvement
<b>Lead Officer and Report Author</b>	Chris Hartgrove, Interim Head of Finance
<b>Classification</b>	Public
<b>Wards affected</b>	All

**Executive Summary**

The report sets out the proposed fees and charges for 2020/21 for the services within the remit of the Economic Regeneration and Leisure (ERL) Committee.

The estimated overall value of fees and charges within the remit of the ERL Committee is £477,140 in 2019/20 as follows:

- Discretionary Fees and Charges (Table 1, Section 3) (£477,140) – the budget proposals for 2020/21 entail an average price increase of 1.07%, which will yield estimated additional income of £5,108 compared to 2019/20. Further income of £20,000 is also anticipated from the Business Terrace (re Phase 4 expansion).

Full details on proposed fees and charges for 2020/21 are set out in Appendix 1.

**Purpose of Report**

This report requires a decision from the Committee.

**This report makes the following recommendations to this Committee:**

1. That the proposed discretionary fees and charges set out in Appendix 1 to this report are agreed.

**Timetable**

<b><i>Meeting</i></b>	<b><i>Date</i></b>
Economic Regeneration and Leisure Committee	28 January 2020
Policy & Resources Committee	22 January 2020

# Fees and Charges 2020/21

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	An updated Charging Policy was adopted in November 2017. It is a key document that underpins the Council's Strategic Plan 2019 – 2045, recognising that fees and charges are an important source of income to support the delivery of corporate priorities.	Interim Head of Finance
<b>Cross Cutting Objectives</b>	As noted above, the recommendations will help underpin the achievement of corporate priorities; this includes the cross-cutting objectives contained therein.	Interim Head of Finance
<b>Risk Management</b>	Refer to Section 5 below.	Interim Head of Finance
<b>Financial</b>	The financial implications are set out in the report at Section 3. If the fees and charges proposals are agreed, the forecast income yield will be incorporated into the budget for 2020/21 and beyond as part of the Medium-Term Financial Strategy.	Interim Head of Finance
<b>Staffing</b>	There are no staffing issues to note.	Interim Head of Finance

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Legal</b>	<p>Section 93 of the Local Government Act 2003 permits best value authorities to charge for discretionary services provided the authority has the power to provide that service and the recipient agrees to take it up on those terms. The authority has a duty to ensure that taking one financial year with another, income does not exceed the costs of providing the service.</p> <p>A number of fees and charges for Council services are set on a cost recovery basis only, with trading accounts used to ensure that the cost of service is clearly related to the charge made. In other cases, the fee is set by statute and the Council must charge the statutory fee.</p> <p>In both cases the proposals in this report meet the Council's legal obligations.</p> <p>Where a customer defaults on the fee or charge for a service, the fee or charge must be defensible, in order to recover it through legal action. Adherence to the MBC Charging Policy on setting fees and charges provides some assurance that appropriate factors have been considered in setting such fees and charges.</p>	Team Leader (Corporate Governance), MKLS
<b>Privacy and Data Protection</b>	There are no Privacy and Data Protection issues to note.	Equalities & Corporate Policy Officer
<b>Equalities</b>	The fees and charges proposals in the report do not represent a change in service. Consequently and Equalities Impact Assessment (EIA) is not required.	Interim Head of Finance
<b>Public Health</b>	There are no Public Health issues to note.	Interim Head of Finance
<b>Crime and Disorder</b>	There are no Crime and Disorder issues to note.	Interim Head of Finance
<b>Procurement</b>	There are no Procurement issues to note.	Interim Head of Finance

## **2. INTRODUCTION AND BACKGROUND**

- 2.1 The purpose of the MBC Charging Policy is to establish a framework within which fees and charges levied by the Council are agreed and reviewed and unless there is a conflict with strategic priorities, other policies, contracts or the law then the Council should aim to maximise net income from fees and charges.
- 2.2 The Policy aims to ensure that:
- Fees and charges are reviewed regularly, and reviews cover both existing charges and services for which there is potential to charge in future
  - Budget managers are equipped with guidance on the factors which should be considered when reviewing charges
  - Charges are fair, transparent and understandable, and a consistent and sensible approach is taken to setting the criteria for applying concessions or discounted charges; and
  - Decisions regarding fees and charges are based on relevant and accurate information regarding the service, and the impact of any proposed changes to the charge is fully understood.
- 2.3 The Charging Policy covers fees and charges set at the discretion of the Council and does not apply to services where charging is prohibited (e.g. household waste collection). Charges set by Government (e.g. planning application fees) are also excluded.
- 2.4 Managers are asked to consider a range of factors when reviewing fees and charges, including:
- a) The Council's strategic plan and values, and how charge supports these
  - b) The use of subsidies and concessions targeted at certain user groups or to facilitate access to a service
  - c) The actual or potential impact of competition in terms of price or quality
  - d) Trends in user demand, including an estimate of the effect of price changes on customers
  - e) Customer survey results
  - f) Impact on users, both directly and on delivering Council objectives
  - g) Financial constraints, including inflationary pressure and service budgets
  - h) The implications of developments such as service investment
  - i) The corporate impact on other service areas of Council-wide pressure to increase fees and charges
  - j) Alternative charging structures that could be more effective; and
  - k) Proposals for targeting promotions during the year, and the evaluation of any that took place in previous periods.

### 3. DISCRETIONARY FEES AND CHARGES 2020/21

3.1 Discretionary fees and charges falling within the remit of the Economic Regeneration and Leisure (ERL) Committee have been reviewed by budget managers in line with the Charging Policy, as part of the developing the 2020/21 Budget and MTFS (2020/21 to 2024/25). The results of the review are presented in Appendix 1 and Committee approval is sought for the proposed 2020/21 fees and charges contained therein.

3.2 The table below summarises the 2018/19 outturn and 2019/20 estimate for income from the discretionary fees and charges which fall within the remit of the ERL Committee.

<b>Discretionary Fees and Charges (ERL Committee)</b>				
<b>Service Area</b>	<b>2018-19 Outturn £'s</b>	<b>2019-20 Estimate £'s</b>	<b>Proposed Income Change £'s</b>	<b>2020-21 Estimate £'s</b>
Business Terrace	68,013	84,980	0	84,980
Business Terrace (Expansion)	109,811	184,220	21,108*	205,328
Economic Development (Jubilee Square)	4,340	3,500	0	3,500
Market	135,671	139,840	4,000	143,840
Museum	62,795	64,600	0	64,600
<b>Total Discretionary Fees and Charges</b>	<b>380,630</b>	<b>477,140</b>	<b>25,108</b>	<b>502,248</b>

\*Note – £20,000 of additional yield will meet savings target in MTFS adopted in February 2019

3.3 The overall increase in income from discretionary fees and charges for 2020/21 compared to 2019/20 – if the proposals are adopted – is expected to be £25,108 (5.26%). This includes £5,108 (1.07%) attributable to price increases

3.4 The detailed fees and charges position for each the service area is presented in Appendix 1. In summary:

- Business Terrace – a 20% rent increase was introduced in 2016. No increases are therefore proposed for 2020/21 to support local start-ups and reflect the local market. However, where businesses wish to stay beyond the two-year "incubation" period, increases would be applied
- Business Terrace (Expansion) – inflationary increases have been applied to offices in accordance with rent review arrangements. Additional income of £20,000 is also assumed following the completion of the Phase 4 expansion (an adopted savings target within the MTFS)
- Economic Development (Jubilee Square) – based on an updated market assessment, there are no proposals to increase event hire fees for 2020/21
- Market – an increase in Boot Fair charges is proposed and, if accepted, is expected to yield additional income of £4,000; and

- Museum – there are no proposals to amend Museum-related fees and charges based on an assessment of price sensitivity and wider market factors.

#### **4. AVAILABLE OPTIONS**

- 4.1 Option 1 (recommended) – the Committee could choose to approve the report recommendation, thus adopting the fees and charges presented in Appendix 1. The proposals have been developed in line with the Council’s adopted Charging Policy and are balanced in terms of maximising revenue and their impact on service delivery.
- 4.2 Option 2 (not recommended) – the Committee could choose to increase the fees and charges presented in Appendix 1. However, there is a risk that such an approach could contravene the Charging Policy. Additional increases would also place an additional burden on service users and could fail to deliver the income levels assumed within the 2020/21 balanced budget proposals through creating a negative impact on service demand.
- 4.3 Option 3 (not recommended) – the Committee could choose to decrease the fees and charges presented in Appendix 1. However, this would fail to deliver the income levels assumed within the 2020/21 balanced budget proposals and could have a negative impact on the Council’s ability to achieve its corporate priorities.
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#### **4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 4.1 The preferred option is Option 1. The proposed fees and charges:
- Are consistent with the Council’s Charging Policy
  - Can be managed at a service level
  - Maximise revenue and are therefore expected to deliver the income levels assumed within the 2020/21 balanced budget proposals; and in so doing
  - Maximise the Council’s ability to deliver its corporate priorities.
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#### **5. RISK**

- 5.1 A range of risks have been considered by service managers in developing the fees and charges proposals in this report including the impacts on service users and delivery and, importantly, the potential risk of increased fees and charges having a detrimental impact on demand (e.g. leading to a net reduction in income).
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## **6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 6.1 The Council is committed to consulting with residents and other stakeholders to help inform the budget setting process, including the fees and charges proposals contained therein. It is an iterative process, with a variety of techniques and approaches used.
- 6.2 The consultation process for 2019/20 asked consultees to rank their preferred approach to achieving a balanced budget; raising fees and charges was the second most popular choice amongst respondents (providing fewer discretionary services was the most popular choice). The 2020/21 consultation further confirmed a general reluctance to Council Tax increases; with 59.9% of respondents opposed to a Council Tax increase in 2020/21. Increasing fees and charges helps to reduce the pressure on Council Tax, thus enabling increases to be minimised.
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## **7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 7.1 Fees and charges proposals for 2020/21 are being considered by the three service committees during January 2020, with an overarching report to the Policy & Resources Committee on 22 January 2020.
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## **8. REPORT APPENDICES**

- 8.1 The following document is to be published with this report and forms part of the report:
- Appendix 1: Proposed Fees and Charges 2020/21 (Economic Regeneration and Leisure Committee)
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## **9. BACKGROUND PAPERS**

- 9.1 The Council's adopted Charging Policy can be viewed via the following link <http://aluminum:9080/documents/g2805/Public%20reports%20pack%2022nd%20nov2017%2019.00%20Policy%20and%20Resources%20Committee.pdf?T=10>