

**STRATEGIC PLANNING,
SUSTAINABILITY &
TRANSPORTATION COMMITTEE**

5 December 2017

Fees & Charges 2018/19

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| Final Decision-Maker | Strategic Planning, Sustainability & Transportation Committee |
| Lead Head of Service/Lead Director | Mark Green, Director of Finance & Business Improvement |
| Lead Officer and Report Author | Ellie Dunnet, Head of Finance |
| Classification | Public |
| Wards affected | All |

Executive Summary

This report sets out the proposed fees and charges for 2018/19 for the services within the remit of this committee. Fees and charges determined by the council are reviewed annually, and this forms part of the budget setting process.

The committee is invited to consider the appropriateness of the proposals for charges which are set at the Council's discretion.

Charges which are determined centrally have been included in Appendix 1 for information.

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.
2. That the centrally determined fees and charges set out in Appendix 1 to this report are noted.
3. That the introduction of increases to Local Land Charges be effective from 6 December 2017.

Timetable

| Meeting | Date |
|---|-----------------|
| Strategic Planning, Sustainability & Transportation Committee | 5 December 2017 |
| Policy & Resources Committee | 24 January 2018 |

Fees & Charges 2018/19

1. INTRODUCTION AND BACKGROUND

1.1 The updated Charging Policy was considered and agreed by Policy & Resources Committee on 22 November 2017. The policy seeks to ensure that:

- a) Fees and charges are reviewed regularly, and that this review covers existing charges as well as services for which there is potential to charge in the future.
- b) Budget managers are equipped with guidance on the factors which should be considered when reviewing charges.
- c) Charges are fair, transparent and understandable, and a consistent and sensible approach is taken to setting the criteria for applying concessions or discounted charges.
- d) 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.

1.2 The policy covers fees and charges that are set at the discretion of the council and does not apply to services where the council is prohibited from charging, e.g. the collection of household waste. Charges currently determined by central government, e.g. planning application fees, are also outside the scope of the policy. However, consideration of any known changes to such fees and charges and any consequence to the medium term financial strategy are included in this report for information.

1.3 Budget managers are asked to consider the following factors when reviewing fees and charges:

- 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 the Council's objectives;
- g) Financial constraints including inflationary pressure and service budgets;

- h) The implications of developments such as investment made in a service;
- i) The corporate impact on other service areas of Council wide pressures to increase fees and charges;
- j) Alternative charging structures that could be more effective;
- k) Proposals for targeting promotions during the year and the evaluation of any that took place in previous periods.

1.4 Charges for services which fall within the remit of this committee have been reviewed by budget managers in line with the policy, as part of the development of the medium term financial strategy for 2018/19 onwards. The detailed results of the review carried out this year are set out in Appendix 1 and the approval of the Committee is sought to the amended fees and charges for 2018/19 as set out in that appendix.

1.5 Table 1 below summarises the 2016/17 outturn and 2017/18 estimate for income from the discretionary fees and charges which fall within the remit of this committee. It also indicates the proposed budget increase that can be achieved either through increasing fees and charges, or through an increase in the volume of transactions. Please note that the table only reflects changes relating to fees and charges and does not include other budget proposals which may impact these service areas.

1.6 Also shown in the lower part of the table are the proposed changes for services which require the council to achieve a break even position.

1.7 The overall increase in income if these changes are agreed and implemented as planned is expected to be £250,000, which amounts to a 6.83% increase in the overall budgeted income figure for this committee for the current financial year.

| Service Area | 2016-17 Outturn £ | 2017-18 Estimate £ | Proposed increase in income £ | 2018-19 Estimate £ |
|--|-------------------------|--------------------------|--|--------------------------|
| Street Naming & Numbering | 66,995 | 49,000 | 0 | 49,000 |
| Parking Services - Pay & Display | 2,354,496 | 2,492,610 | 200,000 | 2,692,610 |
| Park & Ride | 232,617 | 236,830 | 0 | 236,830 |
| Development Control – Pre-application fees | 155,619 | 115,000 | 0 | 115,000 |
| Parking Services (Other) | 218,341 | 186,020 | 0 | 186,020 |
| Discretionary fees & charges | 3,028,068 | 3,079,460 | 200,000 | 3,279,460 |
| Local Land Charges | 254,747 | 253,750 | 50,000 | 303,750 |
| Building Control | 377,697 | 326,850 | 0 | 326,850 |
| Obligation to break-even | 632,444 | 580,600 | 50,000 | 630,600 |
| TOTAL | 3,660,512 | 3,660,060 | 250,000 | 3,910,060 |

Table 1: Discretionary Fees & Charges Summary (SPS&T)

- 1.8 Fees for Local Land Charges have remained static since 2013, and the proposed changes will align fees across the shared service, resulting in more efficient administration. The new fees enable full cost recovery under the volume based costing model introduced on 1 April 2016. It is proposed that this increase, if agreed, becomes effective from 6 December 2017.
- 1.9 No changes are proposed to parking charges for 2018/19, however, overachievement of pay and display income against the budget during the first eight months of 2017/18 is considered to justify the proposed increase in the budget in this area.
- 1.10 Table 2 below summarises the income due from fees which are set by the government. There is no change in the level of charge or income expected for the forthcoming financial year and it is therefore proposed that the budget for these income streams remains at the level set for 2017/18:

| Service Area | 2016-17 Outturn | 2017-18 Estimate | Proposed increase in income | 2018-19 Estimate |
|---|----------------------------|-----------------------------|--|-----------------------------|
| | £ | £ | £ | £ |
| Development Control – Planning & Conservation | 1,277,616 | 1,520,530 | 0 | 1,520,530 |
| Parking services - PCNs | 884,204 | 864,660 | 0 | 864,660 |
| Statutory fees & charges | 2,161,820 | 2,385,190 | 0 | 2,385,190 |

Table 2: Statutory Fees & Charges Summary (SPS&T)

- 1.11 Additional income for planning fees is expected to arise following implementation of legislation which enables the Council to increase planning fees by 20%, as agreed at the Council meeting on 1 March 2017. However, due to a delay in the changes required to the legislation in order to make this change, the increased fees are not reflected within Appendix 1, or the income projections shown above.

2. AVAILABLE OPTIONS

Option 1

- 2.1 The committee could approve the recommendations as set out in the report, adopting the revised fees and charges as proposed in Appendix 1. As these proposals have been developed in line with the council's policy on fees and charges they will create a manageable impact on service delivery whilst maximising income levels.

Option 2

- 2.2 The committee could agree different increases to those proposed within Appendix 1. Any alternative increase may not be fully compliant with the policy, would require further consideration before implementation and may not deliver the necessary levels of income to ensure a balanced budget for 2018/19. The impact on demand for a service should also be taken into account when considering increases to charges beyond the proposed level.

Option 3

- 2.3 The committee could reject the proposed changes and leave all fees at the current level. However, this would limit the Council's ability to recover the cost of delivering discretionary services, and could result in the Council being unable to set a balanced budget for 2018/19.
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3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 3.1 Option 1 as set out above is recommended as the proposed fees and charges shown within Appendix 1 have been developed by budget managers in line with the Council's Charging Policy. The proposed charges are considered appropriate and are expected to create a manageable impact on service delivery whilst maximising cost recovery.
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4. RISK

- 4.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the Policy.
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5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 No specific consultation has been completed on these fees and charges but the resident's survey included questions relating to direct payment for services and this option was seen by residents as the second most popular way of managing pressures on council budgets, with 19.7% of responders voting in favour of this option.
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6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 Fees and charges will be considered by service committees throughout December and January, culminating in an overarching report to Policy & Resources Committee on 24 January 2018.
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7. CROSS-CUTTING ISSUES AND IMPLICATIONS

| Issue | Implications | Sign-off |
|---------------------------------------|--|-----------------|
| Impact on Corporate Priorities | <ul style="list-style-type: none">The Council's policy on charging | Head of Finance |
| Risk Management | <ul style="list-style-type: none">Risk implications have been set out in section 4 | Head of Finance |

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| | of the report. | |
| Financial | <ul style="list-style-type: none"> We expect accepting the recommendations will result in net extra income of £250,000. If agreed, this income will be incorporated into the Council's medium term financial strategy for 2018/19 onwards. | Head of Finance |
| Staffing | <ul style="list-style-type: none"> We will deliver the recommendations with our current staffing. | Head of Finance |
| Legal | <ul style="list-style-type: none"> A number of the fees and charges made for services by the Council are set so as to provide the service at cost. These services are set up as trading accounts 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 set fee. In both cases the proposals in this report meet the Council's obligations. Where a customer defaults, the fee or charge for a service must be defensible, in order to recover it through legal action. Adherence to the policy on setting fees and charges provides some assurance that appropriate factors have been considered in | Legal Team |

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| | setting these charges. | |
| Privacy and Data Protection | <ul style="list-style-type: none"> No specific impact identified. | Legal Team |
| Equalities | <ul style="list-style-type: none"> The recommendations do not propose a change in service therefore will not require an equalities impact assessment | Policy & Information Manager |
| Crime and Disorder | <ul style="list-style-type: none"> No specific impact identified. | Head of Finance |
| Procurement | <ul style="list-style-type: none"> No specific impact identified. | Head of Finance |

8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix 1: Proposed fees & charges 2018/19 (Strategic Planning, Sustainability & Transportation Committee)

9. BACKGROUND PAPERS

Charging Policy: <http://aluminum:9080/documents/s58019/Appendix%201%20-%20Charging%20Policy%20November%202017.pdf>