

CABINET

Fees and Charges Review – 2017/18 14 February 2017

Joint Report of Chief Officer (Resources) and Chief Officer (Environmental Services)

PURPOSE OF REPORT			
To consider the annual review of fees and charges for 2017/18.			
Key Decision	<input checked="" type="checkbox"/>	Non-Key Decision	Referral from Cabinet Member
Date of notice of forthcoming key decision	16 January 2017		
This report is public.			

RECOMMENDATIONS OF COUNCILLOR WHITEHEAD:

- (1) That Cabinet endorses the Fees and Charges Policy as set out at Appendix A, and during 2017/18 (i.e. Phase 2 of the budget process), determines whether any other areas of income generation be explored for 2018/19 onwards.

RECOMMENDATIONS OF COUNCILLOR LEYSHON:

- (1) That Cabinet approves:

- Option 1A - that the most popular 1 and 2 hour parking tariffs are frozen on all car parks.
- Option 1B - that increases are approved for the tariffs outlined in Table A of the car parking report set out at Appendix C on all main car parks in Lancaster and Morecambe and increasing the Full Day charge at Williamson Park, Lancaster.
- Option 1C - that free Christmas parking is maintained on all main city and town centre car parks on the following dates:-

Sundays – 26 November, 3, 10 and 24 December 2017

Thursday evenings – 30 November, 7, 14 and 21 December 2017

(Thursdays being subject to further discussion with Lancaster BID and any alternative proposal not leading to an overall greater loss of income).

- Option 1D – that subject to the outcome of the 2017/18 Phase 1 savings

proposals being approved, formal management of the Kingsway car park, Lancaster is introduced and parking charges are approved as outlined in Table B of the car parking report as set out in Appendix C and requests Officers to amend the Off Street Parking Places Order at the earliest opportunity to implement the changes.

1 GENERAL POLICY

- 1.1 This report sets out the proposed fees and charges framework for 2017/18. The current policy was last considered by Cabinet at its meeting on 16 February 2016 and a copy is attached at **Appendix A**. No substantive updates of the policy are being proposed at this stage, although it should be noted that a more focused approach on commercialisation is being encouraged generally. Once there is a better understanding of what this fully means for the Council, it is expected that there will be a need to update the policy to inform future income generation and charging from 2018/19 onwards.
- 1.2 In support, **Appendix B** provides a listing of the General Fund fees and charges for 2015/16 actuals, the 2016/17 revised budget and the 2017/18 current base budget. This shows that the total estimated base income to be generated from fees and charges (including rents) is now projected to be £13.7M next year. Of this total, around £5.4M is generally inflation-linked. The majority of the remaining income relates to statutory fees, commercial charges, general cost recovery and fixed contracts, e.g. trade refuse. As such these income areas allow for little or no discretion in setting fee increases (aside from any consideration of market share etc). Furthermore, certain fees such as various licensing fees cannot by law be set by Cabinet.
- 1.3 From Appendix B, it can be seen that between 2015/16 and 2017/18 gross income from fees and charges is expected to increase from £10.8M to £13.7M, representing an increase of £2.9M or 27%. Whilst this does not take account any associated expenditure linked to service provision, it does highlight that the Council is making significant improvements in income generation, thereby helping to reduce service subsidisation and protect other service provision. The majority of the forecast increase in income over the period quoted can be attributed to Green Waste charging and Salt Ayre Leisure Centre, resulting in significantly reduced subsidy in providing those services.
- 1.4 In terms of fee increases, generally as part of the budget process all relevant fees and charges will increase by 2% for next year, in line with the annual inflationary review.
- 1.5 Where fees and charges are to change in line with policy and/or the budget, these will be amended through existing Officer delegations and therefore no Cabinet decision is required – and so no detail is provided within this report. It should be noted that in exercising their delegated authority, Officers may well consider groupings of charges for similar or related activities and within those groupings, they may vary individual fees (or concessions) above or below inflation, for example – but as long as in totality, it is reasonable to assume that the relevant income budget will be met and the variances do not go against any other aspect of policy, then no Cabinet decision is required.
- 1.6 On top of such general increases, Cabinet has already identified a number of new charges or other charging changes as part of its budget proposals, included elsewhere on the agenda. Those proposals now incorporate more outline information, in line with

the fees and charges policy.

- 1.7 Cabinet is requested to indicate whether there are any other specific areas for income generation that it wishes to consider as part of its budget development for 2018/19, on top of those already included.
- 1.8 From an Officer perspective, there is only one charging matter that requires Cabinet's consideration ahead of Budget Council, and this is set out below, together with other key points for information.

2 OTHER SPECIFIC CHARGING CONSIDERATIONS

2.1 Environmental Services: Car Parking

This is the only area in which a number of options are presented and therefore for clarity and to seek Cabinet's direction, full information is included in **Appendix C** to this report.

2.2 Environmental Services: Green Waste

As previously reported to Cabinet on 04 October 2016, the pricing structure for opting into the green waste collection scheme has been developed to maximise early uptake (during 2016/17) whilst retaining a balance between affordability for residents and meeting budgeted income targets for 2017/18 and 2018/19. Progress on actual performance and take-up of the service is being closely monitored and will be reported to Cabinet to inform future charging policy.

2.3 Health and Wellbeing: Salt Ayre

Fees and charges continue to be determined under delegated authority in line with the programme of redevelopments being implemented, with the aim of achieving budgeted income targets, taking into account advice from the developer partner. A report is planned to come back to Cabinet in April in respect of an income sharing arrangement between the Council and Alliance Leisure Services Limited.

2.4 Governance: Taxi and Other Miscellaneous Licensing Fees

- 2.5 The outcome of the latest review of taxi and other miscellaneous licensing fees is scheduled for consideration by the Licensing Regulatory Committee on 9 February, prior to Budget Council. These fees are, as a matter of law, not to be determined by Cabinet, although as far as possible the budgeting implications of the Committee's decision will be reflected within the draft budget for 2017 onwards. Fees for licences within the remit of the Licensing Act Committee are set by central government.

3 OPTIONS AND OPTIONS ANALYSIS

- 3.1 The attached policy remains substantively unchanged and it is considered that it remains fit for purpose (at least in the short term) and it adequately covers Cabinet's budget proposals. As such, no options are presented and Cabinet is simply requested to endorse the policy.
- 3.2 Options regarding car parking charges are covered in Appendix C.

RELATIONSHIP TO POLICY FRAMEWORK

Fees and charges form an integral part of the budget setting process, which in turn relates to the Council's priorities. Under the Medium Term Financial Strategy (MTFS), income generation is a specific initiative for helping to balance the budget.

CONCLUSION OF IMPACT ASSESSMENT

(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)

The proposed increases are considered to be fair and reasonable; generally, equality considerations are provided for within the attached policy.

LEGAL IMPLICATIONS

Local authorities have a variety of powers to charge for specific statutory services.

The Local Government Act 2003 also provides a power to charge for discretionary services. Authorities are under a duty to secure that, taking one year with another the income from charges for these services do not exceed the cost of provision.

The power to charge for discretionary services is therefore on a cost recovery basis only and is not available if there is a statutory duty to provide the service or if there is a specific power to charge for it or if there is a prohibition on charging.

Additionally, the Localism Act 2011 provides local authorities with the general power of competence that confers on them the power to charge for services but again subject to conditions/limitations similar to those noted above.

Where authorities have a duty to provide a statutory service free of charge to a certain standard, no charge can be made for delivery to that standard, however delivery beyond that point may constitute a discretionary service for which a charge could be made.

FINANCIAL IMPLICATIONS

Detailed financial implications are set out in the relevant appendices, noting that the officer preferred options will meet the required inflationary increases already built into the 2017/18 draft budget. Any shortfall in meeting the proposed inflationary increases would, in effect, constitute budget growth.

OTHER RESOURCE IMPLICATIONS

None specifically arising from this report

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has contributed to this report, which is in her name in part (in her capacity as Chief Officer (Resources)).

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments to add.

BACKGROUND PAPERS

None

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