

## Lancaster City Council | Report Cover Sheet

<b>Meeting</b>	Cabinet	<b>Date</b>	11/2/2020
<b>Title</b>	Corporate Fees and Charges Policy Review		
<b>Report of</b>	Head of Financial Services and Director for Communities and the Environment		
<b>Purpose of Report</b>			
To consider the annual review of fees and charges for 2020/21			
<b>Key Decision (Y/N)</b>	<b>Y</b>	<b>Date of Notice</b>	<b>13/1/2020</b>
		<b>Exempt (Y/N)</b>	<b>N</b>

### Report Summary

The report asks Members to endorse the Fees and Charges Policy for 2020/21 and also to consider the freezing of charges in the areas of Car Parking and Garden Waste Collection.

### Recommendations of Councillors

- (1) That Cabinet endorses the Fees and Charges Policy as set out at Appendix A, and during 2020/21 as part of the mid-year budget strategy review determines whether any other areas of income generation be explored further for 2021/22 onwards.
- (2) That Cabinet endorses the freezing of car parking charges, as reported as part of the current 2020/21 budget setting process.
- (3) That Cabinet endorses the freezing of garden waste collection charges, as reported as part of the current 2020/21 budget setting process.

### 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(s) where applicable

Climate	Wellbeing & Social Value
Digital	Health & Safety
Equality	Community Safety

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

### Details of Consultation

Lancaster BID, Morecambe BID, Chamber of Commerce. A summary of the proposals shall be sent to each of the above but given the positive nature of the proposals, no return comments are expected.

## **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**

As set out in the report and further detailed financial implications are included in the relevant appendices. With regard to car parking and garden waste proposals, Cabinet have proposed the freezing of inflationary increases, which is still subject to agreement by Council. Any proposals to increase fees would require further consideration and would need to be fed into the budget process as appropriate.

## **Other Resource or Risk Implications**

None specifically arising from this report.

## **Section 151 Officer's Comments**

The s151 Officer has been consulted and has no further comments.

## **Monitoring Officer's Comments**

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

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## **Links to Background Papers**

None

## **1.0 GENERAL POLICY**

- 1.1 This report sets out the proposed fees and charges framework for 2020/21. The current policy was last considered by Cabinet at its meeting on 12 February 2019 and

a copy is attached at **Appendix A**. No substantive updates of the policy are being proposed at this stage, although it is re-iterated that linked to Cabinet's corporate planning and budget proposals, a more focused approach on commercialisation is being adopted. As the emerging strategy develops, then it is expected that there will be a need to update the policy in due course to inform future income generation and charging.

- 1.2 In support, **Appendix B** provides a listing of the General Fund fees and charges for 2018/19 actuals, the 2019/20 original budget and the 2020/21 latest draft budget. This shows that the total estimated base income to be generated from fees and charges (including rents) is now projected to be £15.2M next year. Of this total, around £5.6M 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 2019/20 and 2020/21 gross income from comparative fees and charges is expected to increase from £14.850M to £15.245M, representing an increase of £0.395M or 2.6%. Whilst this does not take account of any associated expenditure linked to service provision, it does highlight that income generation is a significant contributor to the Council's net position, thereby helping to reduce service subsidisation and protect other service provision.
- 1.4 In terms of fee increases, generally as part of the budget process all relevant fees and charges will increase by 2.1% 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 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, primarily for 2020/21 onwards, on top of those already included.
- 1.7 From an Officer perspective, there are two charging matters (Car Parking and Garden Waste) that require Cabinet's consideration ahead of Budget Council, and these are set out below, together with other key points for information.

## 2 OTHER SPECIFIC CHARGING CONSIDERATIONS

### 2.1 Environmental Services: Car Parking

As reported elsewhere on this agenda, Members have proposed to freeze inflation for a second consecutive year. The base budget for 2020/21 has been increased by £160K which is largely due to the continuation of regular increases in usage levels over

the previous four year period. The decision to freeze represents a reduction of £64K in assumed inflation.

## **2.2 Environmental Services: Garden Waste**

As reported elsewhere on this agenda, Members have proposed to freeze inflation for a second consecutive year. Following last year's decision to offer the same price for a subscription in order to retain client base levels in 2019/20, retention levels for subscriptions were 99%, which is viewed as successful given the previous decline in levels. Given the price being £40, it is suggested that future price increases are stepped using a higher inflation percentage but made at larger intervals than annually. This area will be reviewed in 2020/21 alongside the exploration of introducing automatic renewal for future years. The decision to freeze represents a reduction of £19K in assumed inflation, however with subscription levels falling, it is seen as an opportunity to retain and possibly increase the client base.

## **2.3 Health and Housing: Taxi and other miscellaneous Licensing Fees**

The outcome of the latest review of taxi and other miscellaneous licensing fees is scheduled for consideration by the Licensing Committee on 19 March 2020. These fees are, as a matter of law, not to be determined by Cabinet, although the budgeting implications of the Committee's decision, subject to how material they are, would need to be further appraised and fed into future financial monitoring reports to Cabinet as part of the Council's usual monitoring arrangements and if appropriate budgets be updated as part of the mid-year budget strategy review. 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, with a review being undertaken next year.
- 3.2 With regard to car parking charges and garden waste charges, Members have proposed to freeze charges for the forthcoming financial year. Should inflation be applied, further work to determine charging levels would need to take place and be fed into the budget setting process as appropriate.