

CABINET

Corporate Fees and Charges Review – 2019/20 12 February 2019

Joint Report of Interim Financial Services Manager and Director for Communities and the Environment

PURPOSE OF REPORT			
To consider the annual review of fees and charges for 2019/20.			
Key Decision	<input checked="" type="checkbox"/>	Non-Key Decision	Referral from Cabinet Member
Date of notice of forthcoming key decision	14 th January 2019		
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 2019/20 as part of the mid-year budget strategy review, determines whether any other areas of income generation be explored further for 2020/21 onwards.

RECOMMENDATIONS OF COUNCILLOR HUGHES:

- (1) That Cabinet endorses the freezing of car parking charges, as reported as part of the current 2019/20 budget setting process.
- (2) That Cabinet endorses the freezing of garden waste collection charges, as reported as part of the current 2019/20 budget setting process.

1 GENERAL POLICY

- 1.1 This report sets out the proposed fees and charges framework for 2019/20. The current policy was last considered by Cabinet at its meeting on 15 February 2018 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 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 2017/18 actuals, the 2018/19 projected outturn and the 2019/20 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 £14.9M next year. Of this total, around £5.7M 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 2018/19 and 2019/20 gross income from fees and charges is expected to increase from £14.775M to £14.928M, representing an increase of £0.153M or 1.04%. Whilst this does not take account 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 2019/20 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 2019/20. The base budget for 2019/20 has been increased by £95,000 which is largely due to a favourable outturn in 2017/18 where usage levels had increased but also further increased usage in 2018/19. The decision to freeze represents a potential c.£60K in foregone inflation.

2.2 Environmental Services: Garden Waste

As reported elsewhere on this agenda, Members have proposed to freeze inflation for 2019/20. The number of subscriptions in 2018/19 was 22,600 which is less than the 24,000 in 2017/18, representing a 5.8% reduction. The decision to freeze represents

a potential c.£19K in foregone 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 Regulatory Committee on 21 March. These fees are, as a matter of law, are 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.

2.4 **Governance: Legal Fees**

As reported in the previous year's fees and charges review, Officers have now undertaken a comprehensive review of the charging levels within Legal Services. The charges have been comprehensively reviewed and revised in accordance with the Corporate Fees and Charges Cabinet report of February 2018 and have been applied since October 2018. At present it is predicted to have no budgetary impact and levels will be subject to ongoing review, whilst being appropriately substantiated if challenged.

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.

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

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 fed into the budget process as appropriate.

OTHER RESOURCE 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.

BACKGROUND PAPERS

None

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