

Classification: Public

Key Decision: No

Gravesham Borough Council

Report to: Cabinet

Date: 4 February 2019

Reporting officer: Sarah Parfitt, Assistant Director (Corporate Services)

Subject: Fees and Charges Report 2019/20

Purpose and summary of report:

To provide Cabinet with an overview of the review undertaken of the fees and charges levied by the council.

Recommendations:

1. This report is for information only.

1. Background

- 1.1 Local government is experiencing unprecedented reform which is expected to continue for the foreseeable future. The current Medium Term Financial Strategy 2016/17 to 2019/20 recognises the need for the council to respond to these challenges and sets out a number of activities to bridge the resourcing gap that has been identified, with £270,000 of base budget reductions to be delivered in the Strategy period through the annual fees and charges review.
- 1.2 Income generation can be achieved from both statutory and discretionary services. Where fees and charges apply to statutory services, these are often set nationally, for example as in the case of planning fees. Whilst these fees are fixed they still make a contribution to the financial planning of the Council.
- 1.3 The Local Government Act 2003 introduced the power for local authorities to charge for discretionary services. Discretionary services are defined as those services that a council has the power to, but is not obliged to, provide.
- 1.4 This report primarily focuses on the fees and charges set by the council for discretionary services it provides, but excludes some internal trading ventures where goods and services are provided and prices are clear at the point of sale (e.g. bar and café facilities or shop brought goods). These do still contribute to the overall financial position of the Council.

- 1.5 Rental income (such as commercial properties) are periodically reviewed but are excluded from the annual fees and charges review as generally these are negotiated over rental periods of more than one year.
- 1.6 The responsibility for determining fees and charges has been delegated to Directors and Assistant Directors (with the exception car park fees and rents for HRA properties). The Financial Procedure Rules require that fees and charges are reviewed at least annually in accordance with the Council's budget setting framework. In reviewing fees and charges, Directors will have liaised with their appropriate Lead Member to consider any proposed revisions to charges, or the introduction on new charges.

2. Charging Strategy

- 2.1 The authority has in place a Charging Strategy which outlines the key considerations of the council to ensure that fees and charges for services are set in a transparent and consistent manner.
- 2.2 As part of the Fees and Charges review exercise, the Charging Strategy was reviewed; the review concluded that the strategy did not require any significant updates from that agreed with Members in November 2011. The three fundamental principles when considering fees and charges continue to be:
 - **Services should raise income wherever there is a power or duty to do so.** This maximises opportunities for income generation in the current economic climate.
 - **As a minimum, the income raised should cover the full costs of providing the service.** This enables the council to respond to any increases in the cost of the delivery of services and, in effect, minimises the subsidies associated with a particular service for council tax payers.
 - **Any departures from this policy must be justified in a transparent manner.** Any deviation from the policy should be explicitly outlined and agreed by the relevant Director, presented to Management Team for consideration and notified to the appropriate Lead Member.
- 2.3 The Charging Strategy is attached at Appendix Two for Member information.

3. Fees and Charges review 2019/20

- 3.1 Senior Officers, in conjunction with their Lead Member, have reviewed the current schedule of fees and charges and determined the level of fees and charges for the forthcoming financial year. In doing this, consideration will have been given to the cost of providing services and benchmark of charges undertaken with other service providers to not only compare the amount being charged, but also to identify any new income opportunities.
- 3.2 The proposed fees and charges for 2019/20 which will be effective from 1 April 2019 (unless otherwise stated) are provided at Appendix Three. This excludes charges where the charge is clear at the point of purchase (e.g. retail sales, theatre tickets, bar and café), A summary of the review outcomes for key service areas is outlined in section 3.3 to 3.9 on the following pages.

3.3 Car Parks Charges

- 3.3.1 As agreed by Cabinet on 12 November 2018 in its consideration of further Balancing the Budget Initiatives, parking charges will increase in January 2019. The last increase to charges took place in November 2015 and the increase is broadly in line with the level of inflation experienced since this time. The new tariff will be effective from 1 February 2019.

3.4 Sports Activities

- 3.4.1 No changes to pitch hire fees are proposed.
- 3.4.2 The scale of charges in place from 1 January 2019 for Cascades and Cygnet Leisure Centres, (as determined by Gravesham Community Leisure Limited (GCLL)) is provided at Appendix Four for Member information.

3.5 Regulatory Services

- 3.5.1 Adjustments to fees and charges have primarily been made to ensure ongoing recovery of the cost of providing the service. The fee structure for locally set licensing fees have been reviewed in line with the decision by Cabinet taken to implement Service Review Options as part of the Bridging the Gap activity.
- 3.5.2 Food and Hygiene courses are no longer offered due to competition with (generally cheaper) online courses.
- 3.5.3 No increase in fees is planned in relation to Dog Control.

3.6 Development Management

- 3.6.1 Fees for pre-application advice for major and medium developments have been increased in line with the decision by Cabinet taken to implement Service Review Options as part of the Bridging the Gap activity.

3.7 Cemeteries and Burials

- 3.7.1 Charges have been increased to reflect a modest increase in costs. Income projections have remained unchanged to reflect increased uncertainty as the Cemeteries service is impacted by reduced availability of plots and alternative private cemetery provision opening in the borough in 2018.

3.8 Household Waste Collection Services

3.8.1 A fortnightly garden waste bin collection service is provided by annual subscription and the cost of this service is proposed to increase from £43 a year to £46 a year for a 240 litre brown wheelie bin. For customers requiring smaller collections of garden waste, the 140 litre bin service has a proposed increase from £27 a year to £30 a year. The increase covers extra staff costs: as the uptake of the service increases, more bin rounds are scheduled.

3.9 Your Borough Advertising

3.9.1 The current advertising rates have stayed the same following a review of other local authority charges in Kent.

4. Financial Impact

4.1 The Bridging the Gap Strategy set a target of £270,000 of additional income to be generated by 2019/20 through annually reviewing the fees and charges levied by the council. This target was set by applying an annual estimated inflationary increase to fees and charges income levels in 2016/17, excluding certain charge types such as car parking and nationally set fees for statutory services such as planning fees.

4.2 As shown in the table below, activity under the fees and charges work stream will have delivered £168,600 of the £270,000 target by 2019/20, leaving an outstanding balance of £101,400. This underachievement of target has been principally derived from £482,400 of activity to increase fees and charges being recognised under other work streams of the Bridging the Gap activity, such as Service Review and Balancing the Budget Initiatives.

Workstream	Expected Value of Activity	Activity Implemented and reflected in MTFP	Activity Agreed and not yet reflected in MTFP	Value of further activity required
Fees and Charges	270,000			101,400
2017-18 budget setting		60,000		
2018-19 budget setting		43,430		
Revised Garden Waste charges from April 2018		25,000		
19-20 budget setting		40,170		

4.3 Based on the council's current financial position the fees and charges work stream will continue past 2019/20, with the balance of further activity to be delivered by 2022/23.

5. Background Papers

- 5.1 Anyone wishing to inspect background papers should, in the first place, be directed to Committee & Electoral Services who will make the necessary arrangements.

IMPLICATIONS

APPENDIX 1

<p>Legal</p>	<p>The Local Government Act 2003 introduced the power for local authorities to charge for discretionary services. The approach recognises that some for some services, the ability to charge and extent of any charging is established in legislation or by regulation.</p>
<p>Finance and Value for Money</p>	<p>Local authorities have a duty to ensure that their financial management is adequate and effective and that they have a sound system of internal control and management of financial risk. The approach set out in this report will enable the council to consider the levels of fees and charges levied as a contributory factor to setting a balanced budget.</p> <p>The Medium Term Financial Strategy (2016/17 to 2019/20) sets out the intention to increase Fees and Charges income by £270,000 over the period.</p> <p>In 2019/20 the budget for Fees and Charges has been subject to a net increase of -£40,170, excluding the additional income derived from implementing Service Review Options and Balancing the Budget Initiatives determined by Cabinet during 2017/18 and 2018/19. This is in addition to the increase in budgets from the previous two years of £128,430.</p>
<p>Risk Assessment</p>	<p>Without reviewing its levels of fees and charges in line with neighbouring councils and other service providers, the council will be a risk of losing potential income it may be able to generate.</p> <p>The approach recognises the impact that ‘other forces’ may have on the levels of fees and charges set and will therefore take into consideration where potential increases may adversely affect demand for the service and, in turn, impact on the council’s budget.</p>
<p>Equality Impact Assessment</p>	<p>Screening for Equality Impacts</p> <p>Question</p> <p>a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer. No - Should any budget proposals carry potential equalities issues, this will be identified and addressed through a separate report.</p> <p>b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer. As above</p> <p><i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i></p>

Corporate Plan	The process set out in this report supports the delivery of Strategic Objective 4 – Sound and Self-sufficient Council.
Crime and Disorder	No direct implications from the process.
Digital and website implications	The Fees and Charges dictionary for 2019/20 will be placed on the website on 1 April 2019.
Safeguarding children and vulnerable adults	No direct implications from the process.