

Classification: Public

Key Decision: No

Gravesham Borough Council

Report to: Cabinet
Date: 1 February 2021
Reporting officer: Assistant Director (Corporate Services)
Subject: Fees and Charges Report 2021/22

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 Over the last decade, local government has experienced significant and sustained cuts to its funding whilst demand on services has risen. The COVID-19 Pandemic has created new challenges to the future sustainability of the council, which are compounded by the ongoing and prolonged uncertainty around the future funding of local government.
- 1.2 The fees and charges programme included the intention to deliver an additional income of £270,000 during the period between 2016/17 to 2019/20 through a work stream focusing on the annual review of fees and charges.
- 1.3 When considering progress in delivering this work stream last year, it was concluded that this should continue beyond 2019/20, with the balance of further activity to be delivered by 2022/23, albeit the COVID-19 pandemic has presented some challenges in delivery of this and given rise to additional considerations in setting fee levels for 2021/22.
- 1.4 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, in the case of planning fees. Whilst these fees are fixed, they still contribute to the financial planning of the Council.

- 1.5 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.
- 1.6 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.
- 1.7 Rental income budget lines (such as those relating to commercial properties) are reviewed as part of the annual budget-setting process, but are excluded from the annual fees and charges review as generally these are negotiated over rental periods of more than one year, and are thus accounted for separately within the Medium Term Financial Plan (MTFP).
- 1.8 The responsibility for determining fees and charges has been delegated to Directors and Assistant Directors (with the exception of car park fees and rents for HRA properties). The Financial Procedure Rules require that fees and charges be 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 taxpayers.
 - **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 2021/22

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 2021/22, which will be effective from 1 April 2021 (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 3.4 to 3.10 on the following pages.

3.3 In most key areas it has been determined that fees and charges will remain at 2020/21 rates, benefitting users of these services.

3.4 Car Park Charges

3.4.1 The income from the town centre car parks this year has been significantly impacted by the Coronavirus pandemic; the forthcoming redevelopment of Horn Yard, Market Square car parks, and the proposed disposal of Lord Street car park, which will reduce the number of public parking spaces available. Consequently, parking charges have not been changed, and the reduction in income has been incorporated into the MTFP.

3.5 Development Management

3.5.1 Charges have been kept at the same level as 2020/21, and a new fee structure for confirming Section 106 compliance has been added. Whilst the volume of these requests is expected to be quite small, introducing a fee structure means that at least the cost of completing such requests is recovered.

3.6 Sports Activities

3.6.1 The scale of charges in place from 1 January 2021 for Cascades and Cygnet Leisure Centres, (as determined by Gravesham Community Leisure Limited (GCLL)) is provided at Appendix Four for Member information. There are no plans to change these at this stage due to the current uncertainties in the leisure industry.

Public Carriage Licensing

3.7 3.7.1 Charges have been kept at the same level as 2020/21.

3.8 Land Charges

3.8.1 The current fee structure for Land Charges has been in place since 2010 meaning that the recalculation of the fees is long overdue. There is also a statutory requirement that the service is cost neutral over any three-year period. Plans are underway for Land Registry to take over the statutory elements of the function under the Infrastructure Act 2015. Under these

provisions, HM Land Registry will provide a single register to standardise costs, speed and format of results.

3.9 Waste Collection Services

3.9.1 A fortnightly garden waste bin collection service is provided by annual subscription and the cost of this service is proposed to increase from £48 a year to £48.50 a year for a 240 litre brown wheelie bin. For customers requiring smaller collections of garden waste, the charge for the 140 litre bin service will increase from £33 a year to £33.50 a year. The increase covers extra staff costs: as the uptake of the service increases, more bin rounds are required to be scheduled.

3.10 Cemeteries and Burials

3.10.1 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, which opened in the borough during 2018.

4. Financial Impact

- 4.1 As referenced in paragraph 1.2 of this report, the council intends to deliver £270,000 of additional income from fees and charges between 2016/17 and 2022/23.
- 4.2 As shown in the table below, activity under the fees and charges work stream will have delivered £211,800 of the £270,000 target by 2020/21, and due to the Coronavirus pandemic and financial uncertainties, this figure has not changed for 2021/22.

Expected Value of Activity (£)	Activity implemented and reflected in MTFP (£)				
	2017/18	2018/19	2019/20	2020/21	2021/22
270,000	60,000	68,430	40,170	43,200	-
	Cumulative		168,600	211,800	211,800

- 4.3 Central Government has put in place various schemes to help compensate for some of the financial losses that Councils have incurred. The provisional settlement included announcements that the council would continue to receive support from Central Government during 2021/22. Specific support for income losses due to fees and charges are able to be partially compensated for via the sales, fees and charges compensation scheme, which is to continue to June 2021.

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.</p> <ul style="list-style-type: none"> • The approach recognises that some for some services, the ability to charge and extent of any charging is established in legislation or by regulation. The income of the authority from rents and other charges in respect of houses and other property • The expenditure in respect of the repair, maintenance, supervision and management of such property • Such other matters connected with the HRA <p>Implementation of the proposals will secure that the account does not show a debit balance.</p> <p>The Local Government Act 2003 requires the Chief Financial Officer to provide a view of the robustness of the estimates and the adequacy of the level of reserves.</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>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>Data Protection Impact Assessment</p>	<p><i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i></p> <hr/> <p>a. Does the project/change being recommended through this paper involve the processing of personal data or special category data or criminal offence data? A definition of each type of data can be found on the Information Commissioner’s Office website via the above links. N/A</p> <hr/> <p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice? N/A</p> <hr/> <p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at gdpr@medway.gov.uk. N/A</p>

Equality Impact Assessment	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. N/A
	b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer. N/A
	<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>
Corporate Plan	Strategic Objective #3 Progress; Sound Financial Management & Successfully Managing Key Business Risks
Climate Change	Reserve funding is included in the budget proposals for Climate Change Activity.
Crime and Disorder	No direct implications.
Digital and website implications	No direct implications.
Safeguarding children and vulnerable adults	No direct implications.

