

Classification: Public

Key Decision: No

Gravesham Borough Council

Report to: Cabinet
Date: 30 January 2023
Reporting officer: Assistant Director Corporate Services
Subject: Fees and Charges Report 2023/24

Purpose and summary of report:

To review the fees and charges levied by the Council.

Recommendations:

1. This report is for information only.

Key Implications:	
Item	Implications
Legal	The Local Government Act 2003 introduced the power for local authorities to charge for discretionary services.
Finance and Value for Money	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.
Corporate Plan	Strategic Objective #3 Progress; Sound Financial Management
Climate Change	No direct implications from the process.

1. Background

- 1.1 For over a decade local government has experienced significant and sustained cuts to its funding whilst demand on services has risen. The latest Medium Term Financial Strategy (MTFS) covering the period (2022/23 to 2026/27) indicates that income from Fees and Charges is intended to deliver an additional £200,000.

- 1.2 Decisions being taken by Central Government on a number of other local government funding reforms that were planned for introduction from April 2021 (including the Fair Funding Review and reforms to the current Business Rates Retention System) have been put on hold and it is uncertain when these funding reforms will take place. This together with recent increases in energy, fuel prices and inflation have put significant pressure on the Council's budget.
- 1.3 The contribution of Fees and Charges as part of the annual budget setting process is an opportunity to maximise its financial position in the current economic climate, and to achieve policy objectives, for example by influencing the use of a service or to alter patterns of behaviour.
- 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 as in the case of planning fees. Whilst these fees are fixed they still make a contribution to the financial planning of the Council.
- 1.5 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). 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 has been 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 2023/24

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. The impacts of the pandemic are still affecting the level of fee income the council is able to generate.

3.2 The proposed fees and charges for 2023/24 which will be effective from 1 April 2023 (unless otherwise stated) are provided at Appendix Two. 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 3.10 on the following pages.

3.3 Car Park Charges

3.3.1 Parking charges have held at the same level since February 2019 in order to support local businesses and residents, firstly through the impacts of the Covid pandemic and, more recently, in response to the economic pressures affecting the country as a whole.

3.4 Development Management

3.4.1 **Pre-planning application advice** – Pricing uplifts have been proposed to reflect the current cost of running the service and to align fees with other local authorities in Kent. Despite both regional and national decrease in planning applications, budgeted income levels have been increased by 10% to reflect the impact of anticipated demand and the revised fee structure combined.

3.5 Leisure Services (GCLL)

3.5.1 The scale of charges in place from 1 January 2023 for Cascades and Cygnet Leisure Centres, (as determined by Gravesham Community Leisure Limited (GCLL) and ratified by their board in December 2022) is provided at Appendix Four for Member information. The charges reflect an average fee increase of 4.9% to reflect inflationary pressures and to align with fees from neighbouring leisure centres.

3.6 The Woodville

- 3.6.1 The Woodville are proposing several minor revisions to fees whilst leaving the majority of fees at 22-23 levels to encourage demand.
- 3.6.2 Despite the recalibration of fees, demand for services including cinema income, cinema sponsorship, room hire, bar sales and booking fees are budgeted to reduce by £99,900 in 23-24. As a result of the expected decline in footfall, variable costs are expected to reduce by £36,500, giving rise to an overall net income reduction of £63,400. This excludes artiste fee income, which although is expected to increase next year, attracts a corresponding increase in expenditure at the same level.
- 3.6.3 A number of new fees are being introduced in regard to studio room hire as well as uses at St Andrews and St Georges Art Centre which opened in 2022.

3.7 Waste Collection Services

- 3.7.1 A fortnightly garden waste bin collection service is provided by annual subscription and the cost of this service is proposed to increase from £50 a year to £54 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 £34.50 a year to £37.00 a year. The increase will cover increased costs associated with providing the service. The increase in fees is combined with increases to bulky waste collections, and the introduction of a new bin swap offer is expected to generate a further £38,000 in revenue.
- 3.7.2 In addition, a new garden bin swap service is being introduced for 23-24 at £10.00 per bin. This is expected to generate £2,000 in additional revenue.

3.8 Cemeteries and Burials

- 3.8.1 Charges have been increased to reflect recent inflationary pressures in costs (an average rise of 8.6% in fees). Income projections have increased marginally but are largely unchanged to reflect increased uncertainty as the Cemeteries service is impacted by reduced availability of plots.

3.9 Public Carriage Admin

- 3.9.1 Regulation 18(4) of the Regulations 2009 states that 'any charges provided for by a competent authority which applicants must incur under an authorisation scheme must be reasonable and proportionate to the cost of the procedures and formalities under the scheme and must not exceed the cost of those procedures and formalities'.
- 3.9.2 A benchmarking exercise carried out as part of this year's review shows GBC's taxi and PH fees as being comparable with the rest of Kent; however it is important for fees to be reasonable, proportionate and justifiable in terms of ensuring cost recovery. Proposed changes to fees reflect current inflation levels with an average increase of 11.75%. Budgeted income levels, however, are expected to decrease by £10,200 (13%) based on a lower number of expected licence renewals and a lower demand for street knowledge licences.

3.9.3 Following a change in legislation, DBS checks are now paid directly to the Home Office so income will gradually diminish except for new applicants.

3.10 Street Naming

3.10.1 Fees have been set on the basis of full cost recovery and an assessment of current fee levels against other Kent Authorities.

4. Financial Impact

The table below shows total budgeted income under the fees and charges work stream which is expected to be achieved against the target set out in the MTFS.

	Expected Value of Activity (£)	Activity Implemented and reflected in MTFP (£)	Cumulative
Fees and Charges activity identified in MTFS	200,000		
Fees and Charges Review - 2022-23 budget setting		24,000	24,000
Fees and Charges Review - 2023-24 budget setting		8,310	32,310

5. Appendices

- 5.1 Appendix 1 – Charging Strategy
- 5.2 Appendix 2 – Fees and Charges Dictionary
- 5.3 Appendix 3 – GCLL Scale of Charges
- 5.4 Appendix 4 – MTFP summary

6. Background Documents

- 6.1 There are no background documents.

Lead Officer: Gary Giles – Principal Accountant (Special Projects)

Email: Gary.giles@gravesham.gov.uk

Secondary Implications	
Risk Assessment	None
Data Protection Impact Assessment	<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>a. Does the project/change being recommended through this paper involve the processing of personal data or special category data or criminal offence data?</p> <p>A definition of each type of data can be found on the Information Commissioner’s Office website via the above links.</p> <p>No</p>
	<p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice?</p>
	<p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at gopr@medway.gov.uk.</p>
Equality Impact Assessment	<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.</p> <p>No.</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.</p> <p>No.</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>
Crime and Disorder	N/A
Digital and website implications	<p>The Council are required to publish approved fees and charges as part of the transparency and open data obligation.</p> <p>https://www.gravesham.gov.uk/directory-record/159/fees-and-charges</p>
Safeguarding children and vulnerable adults	N/A