

Agenda Item No: 9.5

Report Title: Fees and Charges

Report To: Cabinet **Date:** 3 January 2018

Cabinet Member: Councillor Bill Giles

Ward(s) Affected: All

Report By: Alan Osborne, Deputy Chief Executive

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Purpose of Report:

To propose a revised schedule of fees and charges to apply from 1 April 2018.

Officers Recommendation:

- 1 To approve the revised scale of fees and charges proposed within the Appendix to apply from 1 April 2018
 - 2 To delegate authority to the Director of Service Delivery in consultation with the Lead Cabinet Member to vary commercial trade waste charges upwards or downwards by up to 10% in order to respond to developing market conditions.
 - 3 To implement changes in the statutory fees and charges for services shown within the Appendix as and when notified by Government
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Reasons for Recommendation

- 1 The Council's Constitution requires that all fees and charges, including nil charges, be reviewed at least annually and agreed by Cabinet.

Information

2 Background to this report

- 2.1** Following a systematic review in light of an Audit Commission report entitled "Positively Charged", Cabinet has approved:

- Guiding Principles for setting fees and charges for inclusion within the Council's Constitution under Part 4 Financial Procedure Rules
- A series of recommended actions as agreed by previous Lead Councillors for their respective Portfolio at that time

2.2 The Guiding Principles and the recommended actions arising from the systematic review of services have been applied in reviewing and proposing a revised scale of fees and charges to apply from 1 April 2018.

3 Fees and Charges Proposals to apply from 1 April 2018

3.1 Fees and Charges are reviewed by Cabinet at least once each year, principally during the winter prior to the next financial year. This enables Cabinet's decision to be incorporated in the coming estimate cycle. Cabinet is not restricted to an annual review; it can conduct further reviews at any time in the year with implementation of decisions from any point in the year.

As in previous years all of the fees and charges are covered, so far as is practicable, within a single report. In this way Cabinet is able to consider all of the fees and charges which apply to the Council's services as an overall package. There is only one exception to this and that is licensing fees which are excluded from this report because they are set by the Licensing Committee.

Cabinet will be aware that fees and charges applicable at the Council-owned indoor leisure facilities and at Newhaven Fort are set by Wave Leisure under the terms of the management agreement it has with the Council.

3.2 Within the Appendix to this report there are some significant services, with significant income estimates, where the Council has discretion to set the level of fees and charges. These are summarised below between those services where changes are proposed, those services where no changes are proposed, and those services where the fees are statutory and any changes are made by Government.

3.3 Services where changes to fees and charges are proposed are set out below:

| Service | Car Parks |
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| Appendix ref | Lines 1 to 33 |
| Financial impact | The income budget for 2018/19 can be increased by £100,000 up to £1,002,500. £20,000 of this increase comes from recognising extra usage achieved over the past 18 months and £80,000 comes from proposed changes to the pricing tariff from April 2018. |
| Reason for change | Cabinet agreed the current pricing tariff in November 2012. Since then annual increases in inflation – the principle established by Cabinet on which future increases would be based - have not been sufficient to vary charges but the |

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| | <p>cumulative effect (12.5%) over the past 5 years now warrants change.</p> <p>The proposed pricing tariff set out within the Appendix remains consistent with the current simplified charging structure, remains practical for users and for the efficient operation of the service, and remains consistent overall with the principle that charges increase in line with inflation.</p> |
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| Service | Arts Development |
| Appendix ref | Lines 38 to 44 |
| Financial impact | The income budget for 2018/19 will remain at £13,000. |
| Reason for change | The £5 additional fee for each additional artist has not proved practicable so is recommended for removal. All other charges remain as current. |

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| Service | Tourism |
| Appendix ref | Lines 46 to 52 |
| Financial impact | <p>The income budget for 2018/19 can be increased from £700 up to £9,000 largely because of the additional offer being introduced for advertisers.</p> <p>Cabinet should be aware that the additional income will be matched by additional expenditure as the new printed visitor guide is intended to be self-financing.</p> |
| Reason for change | <p>Developing the Stay Lewes Coast and Country visitor information website has raised the profile of the district and seen visitor numbers increase; advertising rates are proposed to change to reflect this.</p> <p>For 2018/19 a printed visitor guide will be produced which will be funded by new charges to advertisers.</p> |

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| Service | Rodent and Pest Control |
| Appendix ref | lines 53 to 84 |
| Financial impact | <p>The income budget for 2018/19 will remain at £9,500.</p> <p>This is a reasonable estimate because the additional income generated from general fee increases may be offset by income lost on reducing the fees for wasp treatments, unless that reduction leads to additional business.</p> |
| Reason for change | <p>The general increases proposed are designed to recover a larger share of the costs of operation without adversely affecting demand for the service.</p> <p>A review of charges against the market has shown our current prices for the treatment of wasps to be out of step and therefore not competitive. Reductions are proposed to restore parity with the market and to stimulate demand.</p> |

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| Service | Animal Wardens |
| Appendix ref | Lines 86 to 91 |
| Financial impact | No income budget for 2018/19 is proposed because of the very low levels of income generated from this service. This will represent a year on year budget reduction of £1,000. |
| Reason for increase | Charges are proposed for increase to maintain recovery of a fair share of the costs of providing the service. |

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| Service | Public Health |
| Appendix ref | lines 106 and 107 |
| Financial impact | No income budget for 2018/19 is proposed because of the very low levels of income generated from this service. This will represent a year on year budget reduction of £4,000. |
| Reason for increase | Charges are proposed for increase to maintain recovery of a fair share of the costs of providing the service. |

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| Service | Building Control |
| Appendix ref | lines 137 to 160 |
| Financial impact | The income budget for 2018/19 will remain at £325,000. Actual income has fallen short of budget in the recent past and is forecast to do so once again in 2017/18. As a consequence the starting budget for 2018/19 has been reset at a more realistic figure of £292,500. A review of the market and of the level of fees required to ensure that the service generates sufficient income so that its trading account does not fall into deficit, leads to the recommendation for increases. Cabinet is reminded that the fees for this service were last increased on 1 April 2015. |
| Reason for increase | To ensure parity with other providers and to ensure that the trading account does not fall into deficit. |

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| Service | Section 106 Recycling Developers' Contributions |
| Appendix ref | Lines 187 to 188 |
| Financial impact | No income budget for is set for this service because of the uncertainty around volumes and timing as well as the relatively low levels of income generated. |
| Reason for increase | The charge is proposed for increase solely to maintain recovery of a fair share of the costs of providing the service. |

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| Service | Allotments |
| Appendix ref | lines 247 to 248 |
| Financial impact | No change to the income budget of £1,000. |
| Reason for increase | An increase of £3 per plot is proposed in order to maintain value. |

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| Service | Cemeteries |
| Appendix ref | lines 250 to 271 |
| Financial impact | Income levels continue to reduce year by year as usage declines in favour of nearby crematoria. As a consequence a further adjustment to the income budget is required. The 2017/18 budget of £142,000 will become £130,000 for 2018/19 – a reduction of £17,000 to take account of the decline in usage and an increase of £5,000 to reflect the impact of the proposed increases in fees and charges. |
| Reason for increase | The Council's policy is to maintain its charges within the upper quartile of local authority burial charges. The proposed increases are intended to maintain the Council's position. |

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| Service | Parks and Open Spaces |
| Appendix ref | lines 273 to 327 |
| Financial impact | The income budget requires adjustment in line with actual levels of usage over the recent past. The 2017/18 budget of £56,000 will become £50,000 for 2018/19 – a reduction of £8,000 to take account of usage changes and an increase of £2,000 to reflect the impact of the proposed increases in fees and charges. |
| Reason for increase | To maintain recovery of a fair share of the costs of providing services. |

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| Service | Waste Collection (excluding Commercial Trade Waste) |
| Appendix ref | lines 329 to 351 |
| Financial impact | The income budget for 2018/19 is substantially increased because of the growth in the green waste service. This alone accounts for £150,000 of the increase, although there will be additional expenditure associated with delivering the increased level of business. Other waste collection services contribute additional income of £4,500 so that the total income budget for 2018/19 increases up to £310,500. |
| Reason for increase | To maintain recovery of a fair share of the costs of providing services. |

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| Service | Legal Services |
| Appendix ref | lines 359 to 371 |
| Financial impact | Supports the viability of the shared legal service. |
| Reason for increase | Maintains recovery of costs and positioning with other local authorities. |

3.4 Services where no changes to fees and charges are proposed.

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| Service | Electric Vehicle Chargers |
| Appendix ref | lines 35 to 37 |
| Reason for no change | Following a review of performance from the first year of operation, and by learning from the experiences of other councils offering the same service, the charging structure was revised and can be left in place for 2018/19. The income budget is small but current usage suggests that it can be increased from £800 up to £2,000. |

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| Service | Planning Services |
| Appendix ref | lines 190 to 233 |
| Reason for no change | Officers judge that the current fees remain at the appropriate levels for the services on offer. However an adjustment to the income budget is required because actual levels of income have fallen short of budget over the past two years and this trend looks set to continue. Consequently the income budget will reduce from £45,000 for 2017/18 down to £40,000 for 2018/19, a budget reduction of £5,000. |

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| Service | Street Naming and Numbering |
| Appendix ref | Lines 235 to 245 |
| Reason for no change | A comparative review against our near-neighbour authorities suggests that current fees remain at the appropriate levels for the services on offer. The 2017/18 budget of £5,000 can become £7,500 for 2018/19 because of an increase in usage. |

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| Service | Council Tax and Business Rates |
| Appendix ref | lines 353 to 357 |
| Reason for no change | Because both this Council and Wealden Council use the same court the policy has been to keep our fees in line. Therefore no changes are proposed at this time. The income budget for 2017/18, £186,500, includes £6,500 charged to customers making payments to the Council by credit card to help offset the transaction fees incurred. As a result of The Payments Services Regulations 2017 which come into force on 13 January 2018 and affects all businesses, these charges can no longer be made. Therefore year on year the income budget will reduce by £6,500. |

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| Service | Land Charges |
| Appendix ref | Lines 373 to 379 |
| Reason for no change | A review of the current levels of fees and the current volume of activity suggests that charges remain appropriate to recover costs as permitted by Government regulation. |

3.5 Services where statutory fees and charges apply.

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| Service | Port Health |
| Appendix ref | lines 93 to 103 |

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| Service | Public Health |
| Appendix ref | lines 105 to 132 excluding lines 106 and 107 |

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| Service | Development Control |
| Appendix ref | lines 162 to 179 |

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| Service | Register of Electors |
| Appendix ref | lines 381 to 387 |

The current level of fees and charges will continue to apply until such time as the Council is notified by Government of changes. Such changes will be implemented in accordance with the relevant statutory notices.

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| Service | Community Infrastructure Levy (CIL) |
| Appendix ref | lines 181 to 185 |
| | The Charging Schedule implemented on 1 December 2015 under The Community Infrastructure Levy Regulations 2010 remains appropriate and provides the baseline for the levy. CIL regulations require that fees are uplifted annually in line with the change in a national price index. This change will be applied when the index data become available. |

3.6 Charges for the provision of professional services and advice

The Appendix sets out some specific charges for services offered by planning officers for the pre-application service, and by the shared legal service for professional services. These represent the majority of professional services for which a charge is made.

However, requests are also received from customers for professional advice on other matters where, for example, this sits outside the scope of advice that is a normal part of the delivery of services or where it is for information that is not provided free of charge. Rather than seeking to list each and every eventuality where this may be the case, in principle charges are set to recover the full cost of officer time, related overheads and any disbursements.

4 Commercial Trade Waste

- 4.1 The current fees for the collection and disposal of commercial trade waste were approved by Cabinet on 6 January 2014. Due to commercial confidentiality these were considered and approved by Cabinet in an exempt report. They are not reproduced in this report.

- 4.2** This year's review shows that the current charges remain competitive. They need to be so if the Council is to retain its market share. As a consequence no change in the current charges is proposed. However, given the very competitive nature of this business, and the officers' desire to grow the business, it is recommended that the Director of Service Delivery be given delegated authority, in consultation with the Lead Cabinet Member for Waste and Recycling, to vary charges upwards or downwards by up to 10% in order to respond to developing market conditions.

5. Financial Appraisal

- 5.1** The effect of the proposed increases in fees and charges, along with the impact on the budget of variations in demand, is set out at service level below:

| | 2017/18 income estimate £ | <u>Financial impact of:</u> change in usage £ | | 2018/19 income forecast £ |
|---|------------------------------------|--|------------------------|------------------------------------|
| | | | change in fees £ | |
| Car Parking | 902,500 | 16,000 | 84,000 | 1,002,500 |
| Electric Vehicle Chargers | 800 | 1,200 | 0 | 2,000 |
| Arts Development | 13,000 | 0 | 0 | 13,000 |
| Tourism | 700 | 8,300 | 0 | 9,000 |
| Rodent and Pest Control | 9,500 | 0 | 0 | 9,500 |
| Public Health | 4,000 | -4,000 | 0 | 0 |
| Building Control | 325,000 | -32,500 | 32,500 | 325,000 |
| Planning Services | 45,000 | -5,000 | 0 | 40,000 |
| Street Naming and Numbering | 5,000 | 2,500 | 0 | 7,500 |
| Allotments | 1,000 | 0 | 0 | 1,000 |
| Cemeteries | 142,000 | -17,000 | 5,000 | 130,000 |
| Parks and Open Spaces | 56,000 | -8,000 | 2,000 | 50,000 |
| Waste Collection | 156,000 | 151,500 | 3,000 | 310,500 |
| Council Tax and Business Rates | 186,500 | -6,500 | 0 | 180,000 |
| Land Charges | 140,000 | 0 | 0 | 140,000 |
| Discretionary fees – set by LDC | 1,987,000 | 106,500 | 126,500 | 2,220,000 |
| Animal Wardens | 1,000 | -1,000 | 0 | 0 |
| Development Control | 400,000 | 0 | 0 | 400,000 |
| Register of Electors | 1,000 | 0 | 0 | 1,000 |
| Statutory fees – set by Government | 402,000 | -1,000 | 0 | 401,000 |
| Total income estimates | 2,389,000 | 105,500 | 126,500 | 2,621,000 |

- 5.2** If Cabinet chooses to amend the proposed charges the impact will be reflected in the final budget report to be presented to Cabinet on 5 February 2018.

- 5.3** For the discretionary fees set by the Council the overall increase in income of £233,000 will come from two sources - £154,500 from waste collection driven mainly from the roll out of the green waste service and £100,000 from car

parking - which are offset by a net reduction of £21,500 in income from other services. For the statutory fees set by Government there will be a minor reduction in income from a change in usage.

5.4 The overall net effect from these proposals will be a year on year increase in income estimates of £232,000. The forecast in the medium term budget strategy was that income would grow by 3% and that this would contribute an extra £72,000 towards the Council's savings target for 2018/19. As a consequence of this year's review that contribution will be exceeded by £160,000 although the net 'gain' will be less than this because of additional expenditure associated with the roll out of the green waste service.

- 6. Legal Implications** – No legal implications have been identified for this report.
- 7. Risk Management Implications** - I have completed the Risk Management questionnaire and this report does not require a risk assessment because the issues covered by the recommendations are not significant in terms of risk.
- 8. Equality Screening** – An Equalities and Fairness Impact Assessment has been undertaken and made available to the equality checking group. The assessment indicates that the proposed changes to fees and charges set out in this report are unlikely to have any significant impact on equalities and fairness. All changes are in line with the Guiding Principles for setting fees and charges previously agreed by Cabinet. No new charges are proposed and increases are not considered to have a significant impact on access to services. Cabinet will have the opportunity in January 2019 to review the impact of the new charges on service use, when considering proposals for 2019/20.
- 9. Background Papers** – Lewes District Council Guiding principles for setting fees and charges
- 10. Appendix 1** - Lewes District Council Fees and Charges Proposals 2018/19