


Agenda Item No:	6	
Committee:	Overview & Scrutiny Panel	
Date:	14 January 2019	
Report Title:	Review of Fees and Charges 2019/20	

Cover sheet:

1 Purpose / Summary

To review the Council's Fees and Charges for 2019/20 in line with the Budget Strategy agreed by Cabinet on 13 December 2018.

2 Key issues

- At a separate agenda item, the draft Budget report for 2019/20 highlights the significant financial challenges the Council faces over the medium term and the scale of savings required. The proposals in this report contribute to producing a balanced budget for 2019/20.
- The current and forecast economic climate dictates that the Council's charges have to remain sympathetic of local people's ability to pay, whilst at the same time maximising income to the Council.
- Consumer Price Index (CPI) inflation currently stands at 2.3% (November 2018), steadily reducing over the last twelve months from a rate of 3.1% (November 2017). Inflation is forecast to remain at these levels in the short-term with a steady reduction over the next year to around 2%. Even at this rate, these are historically low figures and officers have been mindful of the low inflation environment when considering proposals for increases in 2019/20.
- The inflation the Council experiences in some of its services may however be higher than CPI where contracts specify the Retail Prices Index (RPI) or is related to fuel and wage inflation. The increase in costs in these services may be higher than that being proposed for fees and charges.
- The proposed fees and charges for 2019/20 are attached at Appendix A.
- The proposals would, at current usage levels, generate further income from fees and charges of an estimated £38,330. This amount is in line with the assumptions and income levels included in the draft budget report.
- Consequently, the emphasis is on increasing usage in order to maximise income levels. Any reduction in the level of increases proposed will increase the pressure on the 2019/20 budget.

3 Recommendations

- Members are asked to consider the proposals contained in this report and at Appendix A and to recommend to Cabinet the Fees and Charges to be included in the final budget proposals for 2019/20

Wards Affected	All
Forward Plan Reference	
Portfolio Holder(s)	Cllr Chris Seaton, Leader Cllr Anne Hay, Portfolio Holder, Finance
Report Originator(s)	Kamal Mehta, Interim Corporate Director and Chief Finance Officer (S.151 Officer) Mark Saunders, Chief Accountant
Contact Officer(s)	Kamal Mehta, Interim Corporate Director and Chief Finance Officer (S.151 Officer) Mark Saunders, Chief Accountant
Background Paper(s)	Draft Medium Term Financial Strategy and General Fund Budget 2019/20.

Report:

1 INTRODUCTION

- 1.1 The Draft Medium Term Financial Strategy and General Fund Budget 2019/20 agreed by Cabinet on 13 December 2018 highlighted the impact on the Council of the Local Government Finance Settlement which confirmed the previously notified significant reductions in Government Grant over the medium term. Further details are contained in the draft budget report at a separate agenda item.
- 1.2 When reviewing the current level of fees and charges, officers have been mindful of the following principles:
- (i) The current economic climate and the impact on residents and businesses;
 - (ii) CPI Inflation currently stands at 2.3% (November 2018), although is forecast to reduce slightly over the next twelve months;
 - (iii) The need to remain competitive and maintain/increase activity levels;
 - (iv) Flexibility in the charging regime to encourage increased usage and to assist with meeting Corporate Priorities;
 - (v) The need to maximise income levels to assist with funding the Medium Term Financial Forecasts.
- 1.3 The inflation the Council experiences in some of its services may however be higher than CPI where contracts specify the Retail Prices Index (RPI) or is related to fuel and wage inflation. The increase in costs in these services may be higher than that being proposed for fees and charges.
- 1.4 Although the Draft Budget report did not specifically identify a proposed increase in fees and charges, certain assumptions had to be made in order to produce the draft budget for 2019/20. The proposals detailed in this report will, overall, meet the income levels included in the December Draft Budget report. Any reduction in the level of increases proposed will increase the pressure on the level of savings required.

2 PROPOSALS

- 2.1 The proposed fees and charges for 2019/20, together with comparisons with current charges, percentage increase and financial impact are detailed at Appendix A.
- 2.2 Many of the fees and charges are non-vatable and are shown in Appendix A as either exempt(e), non-business(n) or zero-rated(z). All other charges are standard rated and shown inclusive of VAT, with the exception of the charges for South Fens Business Centre and The Boathouse, which are shown excluding VAT.
- 2.3 Some of the fees and charges are set centrally by government and apply to all local authorities. These are included in Appendix A and cover the following:
- Licensing Fees issued under the Licensing Act 2003 and Gambling Act 2005
 - Electoral Registration
 - Environmental Services – Process Authorisation Fees
 - Planning Fees

There is no discretion in the setting of these fees and there are no further increases planned for 2019/20.

- 2.4 Planning Fees are set by government and after 5 years of no increase, these were increased by 20% with effect from 17 January 2018. No further increases in these fees are planned for 2019/20.

- 2.5 Taking into account the principles detailed in 1.2 above, all Service Teams have assessed their charges for 2019/20 and their proposals are detailed in Appendix A.
- 2.6 Detailed service proposals are contained in the following sections together with some commentary explaining the rationale for the proposed charges for 2019/20. The following sections are in the same order as detailed in Appendix A.

3 GROWTH & INFRASTRUCTURE SERVICES

3.1 Wisbech Port – Statutory Harbour Dues (Harbour & Light Dues, Conservancy Dues, Pilotage Dues and Additional Charges), Wharfage Dues (Wisbech only), Yacht Harbour (Wisbech only)

Statutory Dues

- Members will be aware that this Council is the Statutory Harbour Authority for the River Nene from Wisbech to the Bar Flat Buoy in The Wash. The Council is allowed to set charges to recover costs over a period of time, a principle re-iterated by the Department for Transport in a letter to the Council dated 10 January 2012, where they emphasise that there should not be any ‘substantial or continuing subsidy from a local authority’s general funds to its port’.
- These costs will be recovered from the charges levied on ships visiting Wisbech and Sutton Bridge using the Harbour Authority/Pilotage service. It is proposed that these charges be increased by inflation.
- The overriding objective when setting charges is to recover the estimated costs of providing this service, taking into account projected ship numbers. There is no cross-subsidy between these charges and the commercial and yacht harbour operations at the Port.

Commercial and Yacht Harbour Fees

- The Council has benchmarked both the commercial and yacht harbour fees against neighbouring authorities and found that Fenland’s charges are broadly in line with these. To keep pace with inflation, the commercial charges are proposed to increase by around 2.4%.
- As part of the Council’s CSR process, a review of the charges for scrap exports is currently being undertaken which could result in further changes to this fee during 2019/20.
- Following a detailed benchmarking review and restructure of the Yacht Harbour fees and charges two years ago, there were a number of significant increases in elements of the fees to better reflect the cost of providing those services. In order to maintain competitiveness, no further increases are proposed on the yacht harbour and associated ancillary fees.

3.2 Mini-Factories, South Fens Business Centre and The Boathouse

- Rent levels are generally proposed to increase by inflation for mini-factories, South Fens Business Centre and The Boathouse. The proposed charges are considered appropriate for current market conditions.
- Inflationary increases to room hire rates are being proposed to maintain the competitiveness between the premium offer provided by the Council’s Business Centres and similar comparative offers in the private sector.

3.3 At the Overview & Scrutiny Panel meeting on 10 December 2018, Members agreed to include the Port and Economic Estates (Light Industrial Units and Business Centres) services in their review of the Council’s Economic Development Service.

4 COMMUNITY, ENVIRONMENT & LEISURE SERVICES

4.1 Generally, only minor changes to environment charges are being proposed for 2019/20 except for Ship Sanitation Certificates which are increased annually in line with the Association of Port Health Authorities recommended charges and the specific charges detailed below.

4.2 Cemeteries Service

- The Council provides a burial service in 6 cemeteries across the District, whilst maintaining another 15 closed cemeteries. FDC works hard to make sure that the cemeteries are well kept places to visit. In order to deliver what visitors to the cemeteries expect, we work together with our contractor, Tivoli Group, to ensure that high standards are maintained.
- Following a benchmarking exercise, it is proposed to increase Interment Fees and Exclusive Rights of Burial Fees to make them comparable with neighbouring authorities' fees and also to reflect the cost of providing and investing in the service and the limited size of the cemeteries themselves.

4.3 Commercial and Chargeable Household Waste Services

- The commercial waste services are subject to competition from the private sector. To remain competitive, and support small local businesses, no increases in charges are being recommended this year.
- With effect from April 2017, the Council has been operating a chargeable garden waste service. Full details of the scheme and charges are contained in various reports to Members throughout the last two years. As the charges for 2019/20 have already been set (to remain at current levels), the estimated financial impact of the scheme has been included in the draft budget 2019/20.

4.4 Leisure Services

- Members will be aware that from 4 December 2018 new management arrangements are in place at the Council's Leisure Centres. The setting of charges at the leisure centres (with a few minor exceptions) are now the responsibility of Freedom Leisure, the new management contractor.

4.5 Travellers Sites

- The Council operates and manages 5 sites comprising 64 pitches, situated in Wisbech, Wisbech St. Mary, Murrow, Parson Drove and Chatteris, on behalf of Cambridgeshire County Council (who owns them). No increase in site rents are proposed as the income from these currently exceed operating costs and benchmarking shows that rents are in line with or above neighbouring authorities. However, in order to cover costs, an increase of 20p per week is proposed for the water charge. Any surpluses generated from these rents are re-invested in the sites in accordance with the management arrangements agreed with Cambridgeshire County Council.

4.6 Homeless Persons Accommodation

- No increase in rent are being proposed at Creek Road Hostel or at the temporary accommodation properties (leased from Clarion) as rents are in line with social housing provided by Clarion Housing and are also at the upper limit of housing benefit thresholds.

4.7 Licensing

- Licensing Fees issued under the Licensing Act 2003 and Gambling Act 2005 are set by government and no increases are proposed for 2019/20.
- To meet the requirements of The Licensing of Animals (Prescribed Description) Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018, a revised set of fees was implemented with effect from October 2018. No further increases are proposed for 2019/20.
- Hackney Carriage/Private Hire Licences charges are currently set at a level to recover the estimated cost of the service. Consequently, no further increases are proposed for 2019/20.

5 POLICY, GOVERNANCE & PLANNING SERVICES

5.1 Planning Fees

- These fees are set by government. Following five years of no increases these fees were increased by 20% with effect from 17 January 2018. No further increases in these fees are planned for 2019/20.
- At the same time as the planning fee increase, pre-application planning advice charges were also increased by 20%. No further increases in these fees are planned for 2019/20.
- No increase in ancillary charges is proposed as very limited income is generated from these.

5.2 Land Charges

- No increase in the basic search fees are being proposed, as the current fees are at a level which covers costs and maintains competitiveness.

5.3 Electoral Registration

- These fees are set by government and no further increases are planned for 2019/20.

6 FINANCIAL SUMMARY

- 6.1 The proposals in sections 3-5 above and Appendix A would, at current usage levels, generate further net income from fees and charges of an estimated £38,330. This amount is in line with the assumptions and income levels included in the draft budget report. Any reduction in the level of increases proposed will increase the pressure on the 2019/20 budget.
- 6.2 The total estimated fees and charges which will be included in the final budget report for 2019/20, takes into account the agreed level of fees together with estimated usage/activity levels.