

REPORT TITLE: FEES AND CHARGES 2021/22

10 MARCH 2021

REPORT OF CABINET MEMBER: Councillor Cutler, Cabinet Member for Finance and Risk

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WARD(S): ALL

PURPOSE

This report seeks approval of the fees and charges 2021/2022 shown in appendices 1 and 2. The principles have already been consulted on and approved by Council in February (report CAB3289 refers), with the following recommendations agreed:

- a) Fees and charges for services to be increased by an average of 3% (not including parking charges or garden waste, where no increase is proposed for April 2021)
- b) Building Control fees increase by 10% on average.

It is proposed that not all fees increase by 3% and supporting information on this is set out in the report. The report sets out all fees within the Council's control and also provides information in relation to statutory fees set nationally.

RECOMMENDATIONS:

That Cabinet

1. Approve the fees and charges for 2021/22 as set out in Appendix 1
2. Approve the core Leisure Centre charges in Appendix 2

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

- 1.1 A range of services offered by the council are chargeable, and the income generated underpins the delivery of the Council Plan and all of its outcomes. The recovery of costs and additional income is available to be used by Council in achieving its objectives.

2 FINANCIAL IMPLICATIONS

- 2.1 Increasing fees and charges in line with inflation, as a minimum – subject to regulatory restrictions, is one of the core principles used to underpin the Council's Medium Term Financial Strategy (MTFS). The effect of not increasing charges each year would be to increase the net operating costs of council services and increase the burden on council tax.
- 2.2 As part of setting the budget for 2021/22, Council has agreed an average increase in fees and charges of 3%, specifically not including parking and garden waste, which will be subject to review later in the year. This increase is projected to generate an additional £40,000 towards maintaining an overall balanced budget.
- 2.3 Whilst most individual fees will increase by 3%, it is not appropriate for all fees to increase by this amount as set out in 12.1 below and in Appendix 1.
- 2.4 In some cases the council offers a service also provided by the private sector. These fees have been reviewed in order to ensure the council does not influence the local market by under or over charging. However, it is also important that charges are sufficient to cover appropriate operating costs. With regard to Building Control, charges were not recovering costs and an increase of 10% has been approved to address this (CAB3289 refers).
- 2.5 The increase in Building Control fees is expected to generate an additional £48,000 of income per annum and ensure the council moves towards a cost neutral position for chargeable services.
- 2.6 For other services, including Housing Lifeline and Animal licensing, reviews completed in recent months have confirmed charges already recover reasonable costs and therefore no increases are proposed where this is the case.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The Council has general power under section 93 of the Local Government Act 2003 ("LGA 2003") to charge a person for discretionary services, that is, the provision of a service where the Council is authorised, but not required, to provide the service and the person has agreed to its provision. However, the income from discretionary services must not exceed the cost of provision.

- 3.2 Powers to charge were augmented following the Localism Act 2011 and the introduction of a new general power of competence. The overall position on charging may be summarised as follows:
- Authorities must not charge for a service if legislation so provides.
 - Similarly, authorities must charge for a service if legislation so provides.
 - There is a further range of services where specific legislative provisions allow authorities to decide whether to charge and how much.
 - Then there is a further range of discretionary services supported by empowering legislation where there are no legislative provisions on charging. The local authority may then use its charging powers for discretionary services under the Local Government Act 2003.
 - The general power of competence may be exercised for other services where they do not fall into the categories above. An authority may not recover more than the cost of providing that kind of service. Recovery is assessed taking one year with another.
- 3.3 There is some flexibility over the interpretation of ‘the authority may not recover more than the cost of providing that kind of service’:
- ‘May not recover more than the cost’ which includes overheads.
 - ‘Of providing that kind of service’, Authorities have flexibility over defining the service, and possible interpretations could range from a specialised individual service to a much broader definition at service.

4 WORKFORCE IMPLICATIONS

- 4.1 The Council in part relies on fees and charges to cover the costs of staff delivering services as well as those who support that service delivery. Increasing fees in line with inflation is important to ensure increasing staff costs (incremental growth and pay awards) continue to be covered.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 This report details fees and charges associated with management of the council’s property portfolio.

6 CONSULTATION AND COMMUNICATION

- 6.1 The fees and charges principles for 2021/22 have been consulted on as part of the budget setting process.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The Climate Emergency declaration, the Carbon Neutrality Action Plan and the Air Quality Action Plan all recognise the role charges could play influencing behaviours.

8 EQUALITY IMPACT ASSESSEMENT

- 8.1 None of the specific proposals in this report represent a fundamental change in policy requiring an impact assessment.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 Where personal details are taken to fulfil a service, they are stored on the councils IT system in accordance with established policies and procedures.

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Community Support Opposition to increased charges for services</i>	Benchmarking of charges against neighbouring authorities. Core principle of cost recovery ensures that the costs of providing a service are recovered where possible.	
<i>Financial / VfM Cost of services are not recovered rendering discretionary services unviable.</i>	Fees and charges are reviewed to ensure, as a minimum, cost recovery.	Opportunities for the Council to offer services in new areas / to new customers and generate additional income to financially support the Council in the delivery of its outcomes.
<i>Legal Challenge regarding the need to consult regarding fee increases (parking)</i>	No increases in parking charges for 2021/22.	
<i>Reputation Challenge regarding excessive fees and unfair charges</i>	Comprehensive review of all charges completed including detailed assessments to support charges	

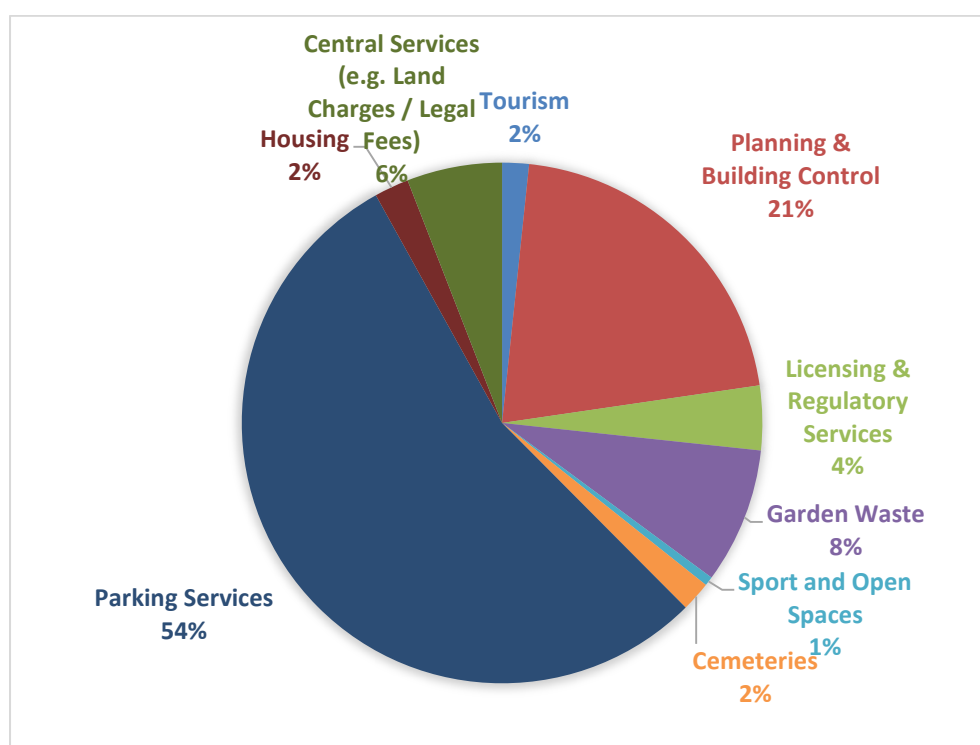
11 SUPPORTING INFORMATION:

- 11.1 The Council charges for a wide range of its statutory and discretionary services and the revenue this generates in the order of £9.5m is significant to the Council.
- 11.2 Historically, the fees and charges levied for these services have been periodically reviewed and changes made as and when has been individually

necessary or appropriate. Given the changing financial climate, the council will adopt an annual review and publish all fees and charges.

- 11.3 Some charges for Council services are monitored, reviewed and agreed by external bodies, for example those such as statutory planning and some licensing fees set by Government. Other fees are determined within contracts (for example the leisure contract) or by specific council strategies (for example parking fees as part of the car parking strategy).
- 11.4 As part of the budget setting process for 2021/22 a comprehensive schedule of all fees and charges across the Council has been compiled. This has enabled a comprehensive review to be undertaken for those charges under the Cabinet's control.
- 11.5 This report outlines changes to corporate fees and charges levied for services to be approved by Cabinet. A minimum target increase of 3% for all fees and charges should be implemented from April 2021 where possible. For simplicity the 3% uplift has been rounded in certain areas where rounded charges are the most practical (for example where cash payments are accepted).
- 11.6 Budget holders have been asked to consider the impact of increases to fees and charges before making any final recommendations, particularly where charges are levied on anyone considered as vulnerable. None of these have been identified as requiring an equality impact assessment.
- 11.7 The make-up of the council's fees and charges is set out in the chart below:

General Fund Fees and Charges 2021/22:



- 11.8 This report contains the fees and charges for services directly managed by Cabinet, the increases in this report will be budgeted to achieve additional fees and charges income of £88k in 2021/22. The attached Appendix 1 shows the level of locally set proposed charges for 2021/22 and the percentage change to 2020/21 for individual charges.
- 11.9 It should be noted that those fees set nationally are not discussed further in this report, these include: planning application fees, fees for certain licenses, and other regulatory fees in relation to abandoned vehicles, air pollution.
- 11.10 Building Control – Fees for this service should be set at a level to ensure full costs are recovered. Although the Council is not able to generate a surplus from charges. A recent review of costs and income has shown that operating costs are 10% higher than income generated through fees and so a 10% increase in these fees has been approved (CAB3289 refers). The revised fees set out in Appendix 1 still compare reasonably with charges from other councils and providers and are not anticipated to have a negative impact on demand for services.

12 Outline of Key Changes

- 12.1 Whilst most non statutory fees will increase by 3% as agreed in CAB3289, there are some variations proposed, including:
- a) Burials and Cemeteries – These fees were not increased in 2020/21 because of the emerging impact of COVID19 at that time. With the pandemic ongoing, it is again proposed that these charges are not increased from April 2021. This will be kept under review and it should be noted that this service is a cost to the Winchester Town Account.
 - b) Off Street Parking – With charges only increased by 3% in October 2020, a further increase is not proposed for April 2021. However, a full review of parking charges across the district will be undertaken during this year as part of the Parking and Access Strategy implementation work and will give consideration to supporting business and promoting economic activity balanced with supporting measures to reduce carbon and air pollution.
 - c) On Street Parking – The “first permit” charge for on street parking in controlled areas will increase from £30 to £40 from April 2021, as required by Hampshire County Council through the Parking Agency agreement and agreed in CAB3713 dated July 2019.
 - d) Garden Waste service – The new charge for the Garden Waste Service commenced in February 2021 and no increase is proposed from April 2021. Charges for the second year of the service from February 2022 will be reviewed in the summer once overall demand is known, along with the potential scope for discounts for certain groups.

The very high demand to date indicate that operating costs will be fully covered by the existing charge, although it should be noted that contractor operating costs will increase annually in line with the consumer price index.

- e) Environmental Services – Charges in relation to the Environmental Services contract became effective from February 2021 at the commencement of the current contract. The fees are as set in the contract, are subject to an annual increase based on the October Retail Price Index and are raised directly by the contractor, Biffa (not including the garden waste service charge).
- f) Traffic/Engineering – The fees relating to traffic and engineering services seek to ensure council costs are recovered for specific requests and no increases are proposed for April 2021. However, it is recognised that the fee relating to temporary road closures for profit making events could be prohibitive in some cases. Therefore, in order to encourage economic activity and the COVID recovery, in 2021/22 the council will, at the discretion of Cabinet member for Local Economy in consultation with the Section 151 Officer, consider covering this fee from the Government COVID Tranche 5 grant allocation for “COVID Economic recovery events.

This fee will also be reviewed during the next financial year in order to bring forward revised charges which take into account the different purposes for which the temporary road closure application is being made and the council’s strategic priorities.

- g) Guildhall – Scope for room hire in the Guildhall is currently limited due to the lease to Her Majesty’s Courts and Tribunal Service. Restricted use of the second floor rooms is potentially available. No changes to room hire rates are currently proposed and a review of the operation of the Guildhall once the current occupancy ends is underway. Future proposals will be considered by Cabinet later in the year.
- h) Lifeline Service – This service provides essential support to vulnerable residents, both in older persons council housing and for private residents. A review of operating costs has demonstrated that existing charges are sufficient to cover operating costs for the next year. Maintaining a broad customer base supports the efficient operating of the service. It is a competitive market and any price increase is likely to impact on demand and so no increase is proposed for 2021/22.
- i) Market stalls – The implementation of revised fees for 2020/21 was delayed as a result of the pandemic. In light of the current economic conditions, no further increase is proposed for April 2021.
- j) Tourism - With the sector being so impacted by the pandemic, no increase is proposed for advertising/membership charges in relation to the districts tourism offer.

- k) Taxi licensing – In addition to the severe impact of the pandemic on the taxi trade, additional licence conditions have also been implemented in the last year and therefore no fee increases are proposed for Taxi drivers.
- l) Charges for Filming on Council land - A range of charges have recently been determined for commercial filming in the district. These charges have been developed based on a review of charges made by other councils/locations. There has been no specific requests since the recent introduction of the charges. As these charges have only recently be introduced, no increase is proposed for 2021/22.
- m) Animal licensing - The Council should not generate a surplus from charges in relation to the licencing of animal related activities. A detailed review of costs has been completed in 2020 and current charges are considered to be reasonable to cover operating costs for 2021/22.

13 Charges for Sports and Leisure

- 13.1 The council's leisure contractor, Everyone Active, sets the fees and charges for use of the leisure facilities as part of the contractual arrangements as set out in Appendix 2
- 13.2 With regards to pricing, the Winchester Sport & Leisure Park and Meadowside Leisure Centre operator contracts require the following:
 - a) Leisure centre pricing will promote the principles of equality of access and sustainability. Usage and attendance by all sections of the wider and local community shall be encouraged through the leisure centre pricing to support the delivery of the council's strategic outcomes and meet the objectives of the Sports Development and Health and Wellbeing Plans for each site.
 - b) The pricing requirement includes core prices for each site which are protected by the council. The operator may set its own prices for the use of facilities and/or users that are outside of the core prices.
 - c) Core prices are to be reviewed annually by the council and may be increased by not more than 4% or the rate of inflation (as measured by the CPI), whichever is the greater.
- 13.3 The proposed prices set out in Appendix 2 were those proposed by Everyone Active for the commencement of the Leisure Centre operation. They are considered to represent good value and are therefore recommended for approval.

14 OTHER OPTIONS CONSIDERED AND REJECTED

- 14.1 Cabinet can choose not to increase fees and charges or vary the charges made.
- 14.2 To not make charges in any form would impact the general fund with services not recovering costs and council tax payers as a whole bearing the cost of service. This is not recommended.
- 14.3 Cabinet do have discretion to vary fees and charges as local circumstances demand but a minimum of 3% is recommended as a minimum in order to cover the unavoidable cost of service increase.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3212 – Budget Update – Fees and Charges – January 2020

Other Background Documents:-

None

APPENDICES:

Appendix 1 – Local and Agency Fees & Charges

Appendix 2 – Leisure Centre Fees & Charges

Appendix 3 – Statutory Fees & Charges