

**TITLE OF REPORT:** Fees and Charges 2018/19

**REPORT OF:** Darren Collins, Strategic Director, Corporate Resources

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### **Purpose of the Report**

1. The review of fees and charges is an integral part of the annual budget process. The purpose of this report is to request Cabinet to agree to recommend to Council the level of fees and charges for 2018/19.

### **Background**

2. The Council currently raises in the region of £20.1m of which around £16.9m relate to non-statutory charges and £3.2m relate to statutory charges.
3. The Council review fees and charges annually and proposes revised and new charges from 1 April each year. As part of the annual review, all fees and charges have been considered. Where inflationary increases have been proposed these have been uplifted with the September 2017 Consumer Price Index (CPI) rate of 3%.
4. In the Council's Constitution under delegations to individual managers, the Strategic Director, Corporate Resources has delegated authority to:
  - Amend statutory fees and charges and those tied to service level agreements or charged annually;
  - Approve commercially sensitive traded fees and charges in consultation with the Leader and the Deputy Leader of the Council;
  - Amend fees and charges during the financial year for any changes in legislation, changes to statutory fees or any changes to the rate of VAT.

### **Proposal**

5. A summary of the recommended changes to fees and charges for Gateshead Council in 2018/19 is presented in Appendix 1 and the full listing is presented in Appendix 2.
6. The additional income generated as a result of the proposed changes to fees and charges is included in the budget proposals that are contained within the Budget and Council Tax Level 2018/19 report that is also on this agenda. The additional income for 2018/19 is estimated at £548,000. These relate to:
  - **Adult Social Care:** £350,000
  - **Cemeteries and Crematoria:** £30,000.
  - **Development and Public Protection:** £10,000

- **Licencing:** £5,000.
- **Waste Services and Grounds Maintenance:** £153,000.

### **Recommendations**

7. It is asked that Cabinet agrees to recommend to Council:
- (i) The fees and charges as set out for 2018/19 in Appendix 2;
  - (ii) Authorisation for the Strategic Director, Corporate Resources to make any necessary adjustments to correct any errors in the schedule of Fees and Charges.

For the following reasons:

- To ensure that Fees and Charges are set in accordance with Council priorities.
- To support the delivery of the Council's budget and the strategic approach to making Gateshead a place where everyone thrives.

**Policy Context**

1. The proposals in this report are consistent with the Council's strategic approach 'Making Gateshead a place where everyone thrives'. The Council recognises there are huge financial pressures on not just Council resources, but those of partners, local businesses and residents. This means that the Council's decision making, including the setting of fees and charges to support the budget, will be policy and priority led and driven.
2. In the Council's Constitution under delegations to individual managers, the Strategic Director, Corporate Resources has delegated authority to:
  - Amend statutory fees and charges and those tied to service level agreements or charged annually; and
  - Amend fees and charges during the financial year for any changes in legislation, changes to statutory fees or any changes to the rate of VAT.
3. Groups and Services have explored the potential for new fees and charges for discretionary services afforded to the Council under its trading and charging powers.

**Background**

4. A review of fees and charges has taken place and the outcome of this review has informed the changes to fees and charges for 2018/19.
5. As part of the annual review, all fees and charges have been considered. Where inflationary increases have been proposed; these have been uplifted with the September 2017 Consumer Price Index (CPI) of 3%.
6. Proposals have been made to increase 12% of charges by inflation (taking into account small nominal changes for rounding) and 13% are proposed to increase by above inflation to maximise income and ensure full cost recovery whilst being mindful of the current economic climate. In doing so demand and delivery of Council objectives will not be adversely affected.
7. 72% of charges remain unchanged, and some new charges have also been proposed, which equate to 2% of total fees and charges. 1% of charges are proposed to be removed as the Council no longer offer the service or changes to service delivery are proposed.

**Changes to Fees and Charges**

8. The main changes to proposed fees and charges are listed below and the full listing of all fees and charges for 2018/19 is attached at Appendix 2. The references to savings proposals refer to the budget proposals contained within the Budget and Council Tax Level 2018/19 report that is also on this Cabinet agenda.

## ***Increases***

9. It is proposed that 25% are proposed to increase (18% in 2017/18): 12% are proposed to increase by inflation or below, and 13% are proposed to increase by above inflation. These proposals include:

- **Adult Social Services:** Transport to day centres is proposed to increase from £1.50 to £3.25 (the cost of a two zone bus pass covering the whole of Gateshead) the increase is linked to Budget Proposal Ref 43: Adult Social Care Trading and Income Generation, which anticipates an additional £50,000. For those eligible for transport to be included in their care plan any charge for services will be via a financial assessment on ability to pay towards the overall care package. The provision of meals at day centres is proposed to increase from £3.50 to £3.60, whilst this in line with inflation it is likely the same service users will be impacted by both the increase in the transport charge and the increase in the meals charge. The hourly charge for Supporting Independence Service is proposed to increase from £12.50 to £13.75 in order to cover costs.

The charge for Home Care and Extra Care is the hourly rate payable to the commissioned providers. The charges currently represent a similar increase to 2017/18 and includes provision for the increase in the National Living Wage which is 4.4%.

- **Cemeteries and Crematoria:** There is a proposal to increase fees and charges for burial and cremation by 2%. This relates to Budget Proposal Ref 47: Street Scene Fees and Charges, and anticipates additional income of £30,000.
- **Development and Public Protection:** Budget Proposal Ref 45: Development, Transport and Public Protection Fees and Charges, proposed increase of around 4.5% on all charges for authorisations under the Environmental Protection Act 1990 and the Pollution Prevention and Control Act. This proposal anticipates additional income of £10,000.
- **Highways and Transport:** The charge for Section 171 Road Opening Notice is proposed to increase from £225 to £250. Temporary Traffic Management Fees are also proposed to increase by an amount above inflation.
- **Hire of Facilities:** The charges for room hire at multipurpose buildings, some libraries, Civic Centre room and Dryden Centre rooms are proposed to increase by inflation in order to continue to cover costs.

Some increases are proposed for hire of the Wailes Room at Saltwell Park from £158 to £160 for half day and from £263 to £300, and for Saltwell Towers from £525 to £750 for a half day or evening, and from £1,050 to £1,500 for the full day.

The charges for the hire of Bewicks at the Civic Centre have been changed so that there are separate charges now for weekdays, Friday evenings and weekends. The weekday charges are proposed to increase by 5% in order to cover costs, and the Friday evening and weekend charges are proposed to increase from £276 to £750 for a half day, and from £497 to £1,500 for a full day.

- **Housing Related Charges and Licensing:** There are proposals to increase the HMO Licencing fee by inflation.
- **Licensing:** Some charges are proposed to increase such as Pet Animals Act 1951 Pet Shop Licence from £99 to £105, Animal Boarding Establishment 1963 Licence from £99 to £130, and Home Boarding Application from £67 to £130.

Budget proposal Ref 31: Transport Services – proposes an increase in taxi testing fees Hackney Carriage Tests in order to move to a full-cost recovery model. This anticipates additional income of around £5,000.

- **Sport and Leisure:** There is a proposal to increase the cost of a 3 month Track Pass by 20% which equates to a monetary increase of between £3.50 and £11.00. Some swimming charges are proposed to increase by nominal amounts, and Flowrider charges are also proposed to increase by between £2.00 and £5.00 depending on group.
- **Waste Services and Grounds Maintenance:** Budget Proposal Ref 47: Street Scene Fees and Charges anticipates £153,000 additional income will be generated from a growth in market share and an increase in charges to customers for Trade Waste, however due to the commercially sensitive nature these charges are noted in the brochure as Price On Application.
- **Planning:** Statutory Planning fees are proposed to increase by 20% in accordance with the Local Government Finance Settlement announcement in December 2017. The financial implications are currently being worked through.
- **Recreation:** The charges for football pitches are proposed to increase by around 20%, which is linked to a two year budget proposal agreed for 2017/18 and 2018/19 where charges are being rationalised.
- **Business Centres:** There is a proposal to increase the occupancy fees per square foot for Blaydon Business Centre (Office), Gateshead International Business Centre and Baltimore House by nominal amounts. Also some meeting room hire at Gateshead International Business Centre, Northern Design Centre, Blaydon Business Centre and Baltimore House are proposed to increase by between £1.00 and £10.00.

- **Registrars:** The statutory charge for Nationality Checking is proposed to increase by £5.00. There is also a proposed increase of £5 for the Premises Fees for registered buildings in order to continue to cover costs.
- **Property and Land:** Property Transactions, copies of legal documents, Section 106 Agreements and Traffic charges are proposed to increase by inflation in order to continue to cover costs.

### ***No Change***

10. 72% of charges are not proposed to change. These include:

- **Building Control:** There are currently no proposed changes to these fees. The service are currently reviewing these charges with a view to market conditions and hope to complete this by February 2018. A separate report will be presented to Cabinet in due course.
- **Car Parking:** There are currently no proposed changes to these fees. The services have carried out a full review of all car parks in the borough and have extended charging hours on some car parks.
- **Licensing:** Although there are some increases proposed, the majority are not proposed to increase. The service are planning a full review of the Hackney Carriage and private and Private Hire Licences over the next few months to ensure full cost recovery.
- **Property and Land:** There are currently no proposed changes to Commercial and Residential Land charge reports as there has been a recent introduction of a VAT charge on this service and the Council operates in a competitive environment. These factors have meant that it would not be sustainable to increase fees without losing income.

### ***Decreases***

11. A small amount of charges are proposed to decrease. These include:

- **Registrars:** Some decreases are proposed for re-affirmation of vows and child naming ceremonies of between £15 and £165 in order to try and increase demand.

### ***New Charges***

12. 2% of the 2017/18 proposed charges are new. These include:

- **Adult Social Care:** A new fees model is proposed for care call together with the removal of the subsidy currently provided to those in receipt of housing benefit. The removal of the subsidy was approved as part of the 2017/18 budget. Budget Proposal Ref 43: Adult Social Care Trading and Income

Generation includes £300,000 related to this, which is in addition to £650,000 in 2017/18. The new model for Care Call fees is proposed which includes a Sheltered Scheme charge of £3.75, and a Bronze/Silver/Gold charge of £4.90/£5.45/£8.40. This Budget Proposal also includes some new sessional charges for activities provided at Marquisway day service. These sessions will be marketed to organisations both in and out of borough and include Motor Activity Training Programme (MATP) £5.00, Rebound Therapy £25.00, iMuse £15.00 and Wheelchair Dance £10.00.

- **Children's Services:** A new charge for Single Setting Designated Persons Training of £314 is proposed, which matches other training charges.
- **Development and Public Protection:** Following approval from Cabinet new charges are proposed for Environmental Enforcement for littering, dog control offences, graffiti and fly-posting of £75 each.
- **Sport and Leisure:** Some new charges are proposed for Go Bear's Den for £3.00 to £5.00 per session and for Clip 'n' Climb for £8.00 to £12.00 per session.
- **Registrars:** Some new charges for corrections to registration entries are proposed of between £75 and £90 per entry in response to demand.

### ***Removals***

13. The following charges are proposed to be removed from the 2017/18 brochure:

- **Children's Services:** The Childminder's Pre-Registration Course and Paediatric First Aid Training will no longer be running.
- **Sport and Leisure:** The charges for swimming coaching fees for a 10 week course are proposed to be removed and replaced with a monthly charge.
- **Libraries:** The ICT Membership charges are proposed to be removed in line with the agreed approach to tackling poverty. The rest of the Library charges are not proposed to change.
- **Waste Services and Grounds Maintenance:** The Passenger Assistant Training Scheme will no longer be running.

### **Consultation**

14. The Budget Consultation 2018/19, which closed on 12 January 2018, sought the views of people who live, work and do business in Gateshead, on proposals to help close the budget gap, some of which relate to fees and charges. Community groups have also been consulted separately on areas that may specifically affect them.

## **Alternative Options**

15. There are no alternative options proposed.

## **Implications of Recommended Option**

### **16. Resources**

**a. Financial Implications** – The Strategic Director, Corporate Resources, confirms that the financial implications are detailed in the attached appendices and that the full financial implications of this report are included in Council's Budget and Council Tax Level 2018/19 report presented elsewhere on the agenda. The additional income generated as a result of proposed fees and charges increases that are included in budget proposals for 2018/19 is estimated at £548,000

**b. Human Resources Implications** – There are no direct human resource implications as a consequence of this report.

**c. Property Implications** – There are no direct property implications as a consequence of this report.

17. **Risk Management Implications** - The risks associated with the impact on demand for services have been assessed when considering increases in fees and charges.
18. **Equality and Diversity Implications** - These are reflected in the proposed fees and charges, which also consider where appropriate the individual's ability to pay. Equality Impact Assessments have been completed for each of the fees and charges included in the budget consultation and used to evaluate and take action, if necessary, to mitigate the effects of any equality and diversity implications.
19. **Crime and Disorder Implications** – There are no immediate crime and disorder implications arising from this report.
20. **Sustainability Implications** – There are no immediate sustainability implications arising from this report.
21. **Health Implications** - There are no immediate health implications arising from this report.
22. **Human Rights Implications** - There are no immediate Human Rights implications arising from this report.
23. **Area and Ward Implications** – The recommendations apply to all Areas and Wards.

## **Background Information**

24. Cabinet Report Budget Consultation 2018/19.