

TITLE OF REPORT: Fees and Charges 2019/20

REPORT OF: Darren Collins, Strategic Director, Corporate Resources

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 2019/20.

Background

2. The Council currently raises £22.7m in fees and charges of which around £19.3m relate to non-statutory charges and £3.4m relate to statutory charges.
3. The Council reviews its fees and charges annually and revised and new charges are implemented from 1 April each year. As part of the annual review, all fees and charges have been considered. The review of fees and charges has been undertaken in the context of guidance indicating at least a 2% uplift to reflect the pay award and the consumer price index (CPI).
4. In the Councils' 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 2019/20 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 2019/20 report that is also on this agenda. The additional income for 2019/20 is estimated at £1.09m.

Recommendations

7. It is asked that Cabinet agrees to recommend to Council:

- (i) The fees and charges as set out for 2019/20 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 Councils' 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.
3. The Council has explored the potential for new fees and charges for discretionary services afforded to it 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 2019/20.
5. As part of the annual review, all fees and charges have been considered.
6. Proposals have been made to increase 19% of charges by 2% or below; 18% are proposed to increase by above 2%, whilst being mindful of the current economic climate. In doing so demand and delivery of Council objectives will not be adversely affected.
7. 49% of charges remain unchanged, and some new charges have also been proposed which equate to 13% of total fees and charges. 9% of the 2018/19 charges are proposed to be removed as the Council no longer offer the service, changes to service delivery are proposed or charges have been consolidated.

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 2019/20 is attached at Appendix 2. The references to savings proposals refer to the Budget Proposals contained within the Budget and Council Tax Level 2019/20 report that is also on the Cabinet agenda.

Increases

9. It is proposed that 37% are proposed to increase (26% in 2018/19): 19% are proposed to increase by inflation or below, and 18% are proposed to increase by above inflation. These proposals include:
- **Cemeteries and Crematoria:** Increase charges for exclusive rights of burial by the recommended 2%.
 - **Highways and Transport:** The charge for highways inspections to increase by the recommended 2%.
 - **Hire of Facilities:** Charges for the hire of rooms at most Council facilities to increase by the recommended 2%.
 - **Business Centres:** Occupancy fees to increase where it is considered that it will not be detrimental to demand.
 - **Property and Land:** Property transactions, copies of legal documents, Section 106 Agreements and traffic charges are proposed to increase by the recommended 2%.
 - **Adult Social Care:** The charges for day services and meals are proposed to increase above inflation as a result of a budget option. The charges for Home Care Services and Extra Care are proposed to increase in line with the commissioned service rates for these areas. All other charges are to increase by the recommended 2%.
 - **Housing Related Charges and Licensing:** Charges relating to letting agency work and property management are proposed to increase by the recommended 2%. Housing Act 2004 actions, Houses in Multiple Occupation (HMO) license renewal and immigration inspections are proposed to be increased above inflation in accordance with the review of licenses carried out in 2018 and agreed by Cabinet on 16 October 2018.
 - **Building Control:** Charges relating to inspections, building notices and regularisation are proposed to be increased above inflation as a result of the service reviewing costs, market conditions and comparisons with other local authorities.
 - **Car Parking:** Increases above inflation have been proposed for a number of car parks where demand is high or charges are lower than others in the surrounding area.
 - **Registrars:** Premises fees have been increased in a number of areas to reflect the quality of the facilities and to increase income following the completion of the refurbishment works.

No Change

10. 49% of charges are not proposed to change. These include:

- **Adult Social Care:** Transport charges are not proposed to be increased as reviews are ongoing to determine the level of charge that users should be paying.
- **Children's Services:** Charges are not proposed to be increased following a full review having been carried out in 2017/18.
- **Car Parking:** A number of charges are proposed to remain the same as an increase may result in decreased demand.
- **Cemeteries and Crematoria:** The majority of charges have not been proposed for an increase as it is felt that it would have a negative impact on demand.
- **Building Control:** A number of charges are proposed to be maintained at the current level to reflect market rates and competitor prices.
- **Development and Public Protection:** The majority of charges are not proposed to be increased as they are set by statute.
- **Property and Land:** There are no proposed changes as a charging review was completed in 2017/18 and the prices set remain competitive with the market.
- **Hire of Facilities:** A number of charges are not proposed to be increased to maintain demand.
- **Registrars:** Some charges are not proposed to be increased as they are statutory.
- **Business Centres:** The hire of business centre meeting rooms have not been increased to encourage demand.
- **Sport and Leisure:** To maintain demand a number of charges have not been increased, these include coaching fees, clip 'n' climb and GO cards.

Decreases

11. A small amount of charges (1%) are proposed to decrease. These include:

- **Building Control:** Charges are proposed to be reduced to reflect market rates and competitors prices.
- **Car Parking:** Some charges are proposed to be reduced to stimulate demand.

New Charges

12. 13% of the 2019/20 proposed charges are new. These include:

- **Sport and Leisure:** A proposed new charging structure for swimming lessons, the introduction of hourly pool hire at a number of facilities, additional GO Gateshead membership options and the hire of facilities at Gateshead Stadium.
- **Building Control:** New charges are proposed to incorporate new charging structures and replace deleted charges.
- **Car Parking:** Charges proposed for introduction for various car parks across the borough as a result of new car parks being opened, changes to charging periods and changes to seasonal permits to allow for additional charging flexibility. This also includes a charge for landlord permits in residential zones along with a site visit charge.
- **Hire of Facilities:** Proposed charges for the hire of Civic Centre meeting rooms.
- **Business Centres:** Proposed charges for the occupancy and use of PROTO.
- **Housing Related Charges and Licensing:** A proposed new charging structure for HMO's with more than 15 rooms and the proposed introduction of charges for the renewal of various licences.
- **Recreation:** Proposed charges for the use of land for commercial fitness classes.
- **Registrars:** A non-refundable booking fee for all registrar ceremonies is proposed.
- **Adult Social Services:** A proposed charge for the Guidepost Service in Adult Social Care.

Removals

13. The following charges are proposed to be removed from the 2019/20 fees and charges:

- **Building Control:** A number of charges have been deleted and combined to create new charges and simplify the charging process.
- **Housing Related Charge and Licensing:** a number of charges are proposed to be removed in relation to smoke and carbon monoxide alarm regulations following a service review.

- **Sport and Leisure:** The charges for crèche sessions are proposed to be removed along with per person coaching fees for trampolining and swimming as they are no longer provided.

Consultation

14. The Budget Consultation 2019/20, which closed on 11 January 2019, 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 2019/20 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 2019/20 is estimated at £1.09m.
- 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 2019/20.