

**TITLE OF REPORT:** Fees and Charges 2017/18

**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 agree to recommend to Council the level of fees and charges for 2017/18, and to recommend that Council agrees a delegation to allow for the approval of commercially sensitive traded fees and charges.

### **Background**

2. The Council currently raises in the region of £18.4m per annum from fees and charges of which around £15.1m relate to non-statutory charges and £3.3m relate to statutory charges.
3. It is normal practice for the Council to review fees and charges annually and propose 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 2016 Consumer Price Index (CPI) rate of 1%.
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; 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.
5. As the Council develops its approach to trading and commercialism it will inevitably enter markets where fees and charges may need to be flexible and vary according to demand and competition. Some of the Council's trading will be undertaken through its trading company or other wholly owned Council companies, but the Council will also trade under its own powers where appropriate, for example where specific legislation provides for it or where the party receiving services is another public body. In such circumstances the Council may need to vary fees and charges in response to market conditions and at short notice. The report proposes a delegation to cover these circumstances.

### **Proposal**

6. A summary of the recommended changes to fees and charges for Gateshead Council in 2017/18 is presented in Appendix 1 and the full listing is presented in Appendix 2.

7. It is proposed that a recommendation is made to Council to delegate the approval of commercially sensitive traded fees and charges to the Strategic Director, Corporate Resources, following consultation with the Leader and Deputy Leader of the Council.
8. 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 2017/18 report that is also on this agenda. The additional income for 2017/18 is estimated at £401,000.

### **Recommendations**

9. It is asked that Cabinet agrees to recommend to Council:
  - (i) The fees and charges as set out for 2017/18 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.
  - (iii) A delegation to the Strategic Director, Corporate Resources following consultation with the Leader and Deputy Leader of the Council for the approval of any traded fees and charges designated as commercially sensitive.

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 achievement of Council Plan outcomes.

## Policy Context

1. The proposals in this report are consistent with the Council's vision and medium term objectives as set out in Vision 2030 and the Council Plan, in particular 'Ensuring a Sustainable Gateshead' by ensuring best use of resources to deliver value for money services and long-term financial sustainability.
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; 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 2017/18.
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 2016 Consumer Price Index (CPI) of 1%.
6. Proposals have been made to increase 6% of charges by inflation (taking into account small nominal changes for rounding) and 12% 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. 1% of charges are proposed to reduce which is mainly as a result of carrying out detailed reviews of service provision and market testing with a view to retaining market share or attracting more customers. 77% of charges remain unchanged, and some new charges have also been 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 2017/18 is attached at Appendix 2. The references to savings proposals refer to the Budget Proposals contained within the Budget and Council Tax Level 2017/18 report that is also on the Cabinet agenda.

## Increases

9. It is proposed that 18% of charges are increased: 6% by inflation (taking into account small nominal changes for rounding) and 12% by above inflation. These proposals include:

- **Adult Social Care:** The charges for Residential Accommodation for Older People are proposed to increase by 19.7% for the minimum charge (to bring this into line with the Short Term Residential charge) and the maximum weekly charge is proposed to increase by 10.7% (or between £18.25 and £86.85). Day Care Services, Provision of Meals and Care Alarms are proposed to increase by inflationary amounts. Home Care and Extra Care charges are proposed to increase in line with contractual inflation.
- **Children's Services:** Inflationary increases are proposed for the majority of charges.
- **Car Parking:** Resident Zone Annual Permits for Business (currently £100) and Health Professionals (currently £50) are proposed to increase by £25. The Resident Parking Dispensation Notice and Suspension Notice are proposed to increase from £22.50 to £25, which is part of Budget Proposal 35 which outlines an associated £12,000 increase in income. Increases in off street car parking tariffs are proposed at some car parks and the majority of on street parking tariffs, which is part of Budget Proposal 35 proposing an increase in income of £11,000. Annual Staff Permits are proposed to increase by between 6.3% and 8.4% (or between £20.04 and £25.04), which is part of Budget Proposal 35 proposing an increase of £15,000.
- **Cemeteries and Crematoria:** The statutory charges for Exclusive Rights of Burial will increase by 5%. Statutory increases have also been applied to interment fees of between 1% and 2%. The charges for Gravestones, Tablets and Monumental Inscriptions, and Additional Plaque for a Memorial Seat are proposed to increase by between 2.3% and 3.6% (or between £2 and £9). Miscellaneous Charges are proposed to increase by between 1.7% and 5.3% (or between £1 and £30). Of these the Memorial Wall Plaque is proposed to increase from £431 to £448 and the Memorial Kerb Tablet from £751 to £781. Cremation charges are proposed to increase from £634 to £640, and the associated Environmental Surcharge proposed to increase from £45 to £46. The charges for Entries in the Book of Remembrance are proposed to increase by between 3% and 3.9% (or between £1 and £5). All of these increases are part of Budget Proposal 28 which proposes an increase in income of £30,000.
- **Highways and Transport:** An inflationary increase has been applied to Local Transport Plan charges of between £1 and £5.
- **Hire of Facilities:** All hire charges are proposed to increase circa 5% in order to cover costs.
- **Licensing:** There are proposed increases to Pet Shop, Animal Boarding and Dog Breeders Licences of 8.8% (or £8). Other proposed increases include Dangerous Wild Animals Licence: 2.8% (£4), Riding Establishment Licence: 25.7% (£26), Zoo Licence: 19% (£48) and Home Boarding: 9.8% (£6). This will bring the charges into line with other authorities.

- **Sport and Leisure:** Single Use Track charges are proposed to increase by nominal amounts in order to encourage people to use the 3 monthly Track Pass instead. The junior charge for gymnastics (10 lessons) is proposed to increase by £2.50 to cover registration costs associated with the National Governing Body of Sport (British Gymnastics).
- **Waste Services and Grounds Maintenance:** Green Waste charges are proposed to increase from £27 to £33 (22%), which is part of Budget Proposal 30 estimating a £168,000 2017/18 saving will be achieved. Bulky Household Waste charges are proposed to change with a minimum charge of £16 introduced. The charges will increase for medium sized items from 3 items for £17 to £8 per item, and for small items from 8 items for £13 to £2 per item, in order to simplify charges and encourage usage, which is hoped will increase income and cover costs.
- **Recreation:** Budget Proposal 30 proposes increases in charges for Bowls and Football pitches so that the service becomes more self-funding. In 17/18 an additional £75,000 is expected. The individual charges will increase by around 20% (or between £4.50 and £115).
- **Registrars:** Increases are proposed for the Application and Receipt of Certificates from the Superintendent Registrar from £16 to £18, and for guaranteed next day delivery from £25 to £28. Civil Marriages and Partnership charges are proposed to increase by £5 (around 1%), and a new charge is proposed for Sundays/Bank Holiday of £480. Charges for Reaffirmation of Vows and Child Naming are proposed to increase by £20 (between 7.7% and 12.5%).

### **No Change**

10. 77% of charges are not proposed to change. These include:

- **Adult Social Care -** The level of the maximum charge for community based adult social care provision and the level of the disregard for disability related expenditure have recently been consulted upon as part of the Adult Social Care Charging Policy the conclusion of which will be reported to Cabinet on 14 March 2017. Therefore the amounts stated in Appendix 2 for these elements will be subject to change.
- **Building Control:** The majority of these charges are not proposed to change as they are set in agreement with other Tyne and Wear Authorities with a review expected by the end of the financial year.
- **Car Parking:** Although the charge for Bus Lane Enforcement is not proposed to increase, Budget Proposal 35 is expected to result in an increase in income of around £80,000.
- **Development and Public Protection:** The majority of these fees are statutory and remain unchanged as they are set by DEFRA, however they may increase

in March 2017. A request to increase the Hackney Carriage rates is currently being considered.

- **Housing Related Charges:** There are no proposals to change these charges in 17/18.
- **Sport and Leisure:** Although the majority of the charges are not proposed to change a significant amount of work is currently being carried out to help the Leisure Service achieve its savings target and increase income.
- **Libraries:** There are no proposals to change these charges in 2017/18.
- **Property and Land:** No changes proposed as a recent review found that the current charges are still cover the cost of delivering the service.

### **Decreases**

11. 1% of charges are proposed to decrease. These include:

- **Adult Social Care:** The sessional charge for Sports Clubs for People with Disabilities (formerly Special Olympics) is proposed to reduce from £9.15 to £5.00 in order to reflect the cost of the service.
- **Car Parking:** Seasonal permits at Church Street (by between £1 and £45) and Garden Street (by between £37 and £297: over 20%) are proposed to reduce to generate demand. The associated daily charges for these car parks are also proposed to reduce by nominal amounts.
- **Development and Public Protection:** Hourly inspection rate for Trading Standards has reduced following guidance issued by the Association of Chief Trading Standards Officers.
- **Sport and Leisure:** Birtley Leisure Centre membership charges for +18 are proposed to reduce to bring charges into line with other Centres.

### **New Charges**

12. The following new charges are proposed for 2017/18:

- **Car Parking:** New daily rate charges are proposed for the suspension of Car Parks to facilitate events which amount to between £250 and £3,000 per day. Budget Proposal 35 anticipates £10,000 uplift in income. Some new on street tariffs at Ely Street, Half Moon Lane, High Street and Bensham Road are proposed, as charging is now applied in 15 minute blocks.
- **Cemeteries and Crematoria:** Extension to Exclusive Rights of Burial is a proposed new charge which will contribute, in part, to the delivery of Budget Proposals 28 and additional income of £30,000.
- **Building Control:** A new charge is proposed for Safety Advice at £75 per hour.

- **Highways and Transport:** Temporary Traffic Signal charges are proposed of between £15 and £50.
- **Licencing:** New charges are proposed for Advertising Boards which include a variation fee of £25, charges for the removal of unlawful advertising, and unlawfully parked advertising trailers of £25 per item, and an enforcement investigation hourly charge of £75. These charges will cover costs and will not generate any additional income.
- **Business Centres:** New charges are proposed for Occupancy Fees for the Northern Centre for Emerging Technology of £24 per sq ft, and for a Day Delegate rate per head of £19 which applies to all Business Centres.
- **Registrars:** A new charge is proposed for Civil Marriage and Partnership for Sundays/Bank Holiday of £480.

### Consultation

13. The Budget Consultation 2017-2020, which closed on 6 January 2017, 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

14. There are no alternative options proposed.

### Implications of Recommended Option

#### 15. 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 2017/18 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 2017/18 is estimated at £401,000

**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.

16. **Risk Management Implications** - The risks associated with the impact on demand for services have been assessed when considering increases in fees and charges.
17. **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.

18. **Crime and Disorder Implications** – There are no immediate crime and disorder implications arising from this report.
19. **Sustainability Implications** – There are no immediate sustainability implications arising from this report.
20. **Health Implications** - There are no immediate health implications arising from this report.
21. **Human Rights Implications** - There are no immediate Human Rights implications arising from this report.
22. **Area and Ward Implications** – The recommendations apply to all Areas and Wards.

### **Background Information**

23. Cabinet Report Budget Consultation 2017-2020.