

**TITLE OF REPORT:** Fees and Charges 2016/17

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

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### **Purpose of the Report**

1. A review of fees and charges is an integral part of the annual budget process. The purpose of this report is to set the level of fees and charges for the Council for 2016/17.

### **Background**

2. The Council currently raise in the region of £17.8m per annum from fees and charges of which around £3.3m relate to statutory charges and £14.5m relate to non-statutory charges.
3. The largest areas of non-statutory charges relate to Adult Services, Car Parking, Waste Services and Grounds Maintenance and Leisure which account for over £12m of the total charges, with Leisure being the largest amount of income generated. The largest areas of statutory charges relate to Cemeteries and Crematoria, Planning and Car Parking.
4. 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 2015 inflation rate of 0.8%.
5. 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
  - To 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**

6. A summary of the proposed changes to Fees and Charges for Gateshead Council in 2016/17 is presented in Appendix 1 and the full listing is presented in Appendix 2.
7. Additional income generated as a result of the proposed changes to Fees and Charges have been included in the budget options for 2016/17 and this is estimated at £608,000.

## **Recommendations**

8. Cabinet is requested to recommend that Council agree the following:
- (i) the Fees and Charges as set out for 2016/17 in Appendix 2; and also
  - (ii) authorise the Strategic Director, Corporate Resources to make any necessary adjustments to correct any errors in the schedule of Fees and Charges.

For the following reason:

- To ensure that Fees and Charges are set in accordance with Council priorities, which will support the delivery of the Council's budget and 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
  - To 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 to support the delivery

**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 2016/17.
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 2015 inflation rate of 0.8%, or have had a nominal increase applied in order to take account of rounding's.
6. Proposals have been made to increase 11% of charges by the September RPI inflation rate of 0.8% or by a nominal amount of less than £1.00 to take account of rounding's.
7. It is proposed that 20% of charges will increase 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.
8. 9% 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. 60% of charges remain unchanged.

**Changes to Fees and Charges**

9. The main changes to proposed fees and charges are listed below and the full listing of all fees and charges for 2016/17 is attached at Appendix 2:

### ***Adult Social Services***

10. A new charge is proposed for Special Olympics and Other Supported Day Services of £9.50 per hour. This is a service already offered to eligible residents as part of care packages, however this charge is for non-residents, or those residents who are not eligible for adult social care services, as neighbouring Councils do not offer this service.

### ***Children's Services***

11. A number of new charges are proposed for Childminder training courses at a charge of between £70.00 and £300.00.

### ***Building Control***

12. These charges are set in agreement with other Tyne and Wear Authorities and no proposals have been made to change any of these charges.

### ***Car Parking***

13. Annual permit charges have increased by between 0% and 9.4%. Off-street parking charges are proposed to increase at some car parks with the highest increases being at Civic Centre (all tariffs increased by 25%), South Shore Road and Mill Road (one hour tariffs increased by 20%) and Charles Street (all tariffs increased by 20%). On-street parking charges for Church Street are proposed to increase by 50%, with the rest remaining unchanged.
14. The statutory parking charges (penalty charges) remain unchanged. There are no proposed increases on staff permits following a 20-30% increase in 2015/16. There are no increases to residents' permits, resident zone business permits or blue badges.
15. A new charge is proposed for an Annual permit for Pipewellgate car park at £640.00. Some new charges for Seasonal Permits for specified days are also proposed at several off-street car parks, and a new charge for Bus Lane Enforcement is proposed of £70.00.
16. The proposed changes to fees and charges within Car Parking are estimated to generate an additional £66,000 in income from off-street and £17,000 from seasonal permits. This income is included within the budget options.

### ***Cemeteries and Crematoria***

17. Most burial and cremation fees have been increased above inflation by circa 5%. However, the Council's fees remain cheaper than neighbouring authorities.

18. Increases in charges for gravestones, tablets and monumental inscriptions, memorial plaques and some miscellaneous charges such as replacement memorial stones and kerbstones are proposed at 0%-6.5%, which equates to monetary increases of between £0 and £40.00. Entries in the book of remembrance are proposed to increase by between £2.00 and £6.00.
19. New charges are proposed for interments for exclusive rights for the period of 60-90 years at between £451.00 and £1,161.00, and additional crematorium time at £60.00 for 20 additional minutes.
20. The increase in fees is anticipated to generate a £100,000 saving that has been included in the budget options.

### ***Development and Public Protection***

21. The hourly rates for an Inspector and Support Staff for Trading Standards are proposed to increase by between 19.7%-26.4%, and Land contamination queries are proposed to increase from £188.03 to £250.00 in order to recover costs.
22. All statutory Trading Standards fees remain the same. New charges are proposed for the Registered Trader Scheme of £150 for initial registration and £100 per annum thereafter. A new charge of £25.00 is also proposed for the sale of the Core Strategy & Urban Plan in line with Newcastle City Council's charge.

### ***Highways and Transport***

23. Charges for Road Opening Notices and Permission to maintain apparatus in the public highways are proposed to increase by between £30.00 and £60.00. Local Transport Plan charges are proposed to increase by £5.00. Above inflationary increases of between £20.00 and £150.00 are also proposed to Bridge Banner charges, as the current fees do not reflect the actual cost of the works involved.
24. Statutory Highways charges in relation to National Road & Street Works Act (NRASWA) inspections remain the same. However two new charges are proposed: NRASWA Penalty charge of £120 and NRASWA S74 charge for overruns. These charges are mainly to utility companies. Additional income from NRASWA inspections is anticipated to be £13,000 with an additional £17,000 from the introduction of the fixed penalty notice income. This income has been included within the budget options.

### ***Hire of Facilities***

25. The following changes to room hire have been proposed:
  - an uplift of between 1.9% and 5.3% for multipurpose buildings and the Elgin Centre;
  - an uplift of 5% for rooms at the Civic Centre;
  - an uplift of circa 3% for charges at Dryden with the exception of hiring the Conference Hall to theatre groups on weekdays which has been reduced by 14.7% to £145.00 per 3 hour session, and hiring of rooms for up to 10 people to commercial organisations at weekends have been increased by between 15% and 22.7%.

26. The uplift in prices is estimated to provide an additional £5,000 per annum and will contribute towards delivery of the budget options.

### ***Licensing***

27. There is a mixture of statutory and non-statutory charges within Licensing and there are no proposed increases to statutory charges, although most non-statutory charges will either remain the same or be subject to an increase of circa 1%, although acupuncture/tattooing fees are proposed to double to reflect the actual administration and enforcement involved.
28. Some new charges have also been proposed, for example the provision of food safety and licensing advice at £75.00 per hour and Hackney carriage and private hire expedited processing fees which is subject to a separate report to Cabinet.
29. Income generated from new fees is within a budget proposal in Development and Public Protection and is estimated at £5,000.

### ***Sport and Leisure***

30. The service is working to increase income to bridge the ongoing shortfall and is implementing a number of measures including a review of fees and charges.
31. On 15 December 2015 Cabinet approved changes to: concessions, increasing the adult age ceiling from 60+ to 65+; GO membership, increasing charges for students and 65+ and joint membership; removing the distinction between residents and non-residents for Active cards (except Juniors); and agreeing increased casual swimming charges.
32. In reviewing increases, the charges of neighbouring authorities and of competitors have been considered, together with advice from leisure consultants. Many charges remain the same however the changes have resulted in higher than average increases on some charges of between 8% and 30% for 65+, students and Active Access Adults.
33. GO memberships are presently based on 12 month contracts, where members can access gym, swim and fitness classes. In order to increase income, the service is proposing a non-contract membership of £35.00 per month where members pay on a monthly basis (students and juniors presently do this) and also a membership swim only at Birtley Leisure Centre of £20.00 for adults and £15.00 for other concessions and a gym only membership at Gateshead International Stadium of £19.00 for adults and £15.00 for other concessions.
34. A new charge has been introduced for Family swims.
35. Cabinet in December 2015 authorised the Strategic Director, Communities and Environmental (in consultation with Strategic Director, Corporate Resources, Strategic Director, Corporate Services and Governance) to implement flexible pricing arrangements to increase income.

### ***Libraries***

36. The majority of charges remain unchanged although there are slight reductions in some reservation fees.

### ***Waste Services and Grounds Maintenance***

37. Charges for the delivery of replacement and new property bins are proposed to increase to more closely reflect full cost recovery: the charge for blue bins will increase from £11.00 to £25.00, and refuse wheeled bins from £23.00 to £35.00. Income from the increase is anticipated to generate £38,000.
38. Green waste charges for 2015/16 were approved at Cabinet in October 2015: residents signing up before 31 January 2016 pay £25 and £27 thereafter. Additional income of circa £140,000 is anticipated from the fee increase.
39. Increases for Bulky Household Special Collections are proposed which will generate additional income of £7,000.

### ***Planning***

40. The majority of these fees are statutory and have not changed however increases of between 9.6% and 10.3% are proposed for the carrying out of any operations connected with exploratory drilling for oil or natural gas in order to reflect actual cost.

### ***Recreation***

41. Charges for Seasonal Bowls Permit and hire of Football Pitches will remain the same but will be subject to a separate report to Cabinet later in the year as alternative management models are developed and further consultation with service users undertaken.
42. Cabinet approved a report on 9 February 2016 requesting an increase in allotment rents of between £14.00 and £25.50 per plot as the Council subsidises allotment provision to the value of £25,000.
43. Lettings for Fairgrounds and Open Spaces are proposed to increase by 10.4%-17.6% in order to recover the costs.

### ***Business Centres***

44. Charges for some meeting rooms are proposed to increase by between 0% and 19% with the maximum increase being £11.00 for a 12 person meeting room at Baltimore House. These increases will bring all of the fees and charges at each Business Centre in to line with each other.

### ***Corporate Services***

45. The maximum charges for Funeral and Protection of Property are proposed to increase from £500 to £1,000 in order to cover increased costs of administration. Also the maximum charges for Appointeeship cases are proposed to increase from £350 to £500 following a benchmarking exercise against the private sector. These charges will also be based upon a client's ability to pay.

46. New charges are proposed for administering deferred payments and for arranging care packages for self-funders. Cost recovery only is permitted by the Care Act and the estimated set up cost are between £250.00 and £350.00. A report is due to go to Cabinet on the Deferred Payments Policy on 17 March 2016.

### ***Registrars***

47. The priority guaranteed next day delivery application fee is proposed to increase from £21.00 to £25.00, and the Premises fees for Ravensworth are proposed to increase by between 2.4% and 7.1% which equates to monetary increases of between £4.00 and £10.00.
48. The registration of premises for marriage and civil partnerships was reduced from £2,000 to £1,750, however this reduction is offset by introduction of new charge for 3 year renewal of registration of premises for Marriage and Civil Partnership at £1,500.00.
49. These increases support a budget proposal and will generate £12,000.

### ***Property and Land***

50. A full review has been carried out on Property and Land charges as a result of a recent change in VAT treatment from outside of the scope to standard rate. This has resulted in some nominal increases and some significant reductions in charges in order to better reflect the actual cost of service, to continue to retain current business and to increase competitiveness.

### **Consultation**

51. The Budget Consultation 2016-18, which closed on 30 December 2015, 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**

52. There are no alternative options proposed.

### **Implications of Recommended Option**

#### **53. 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 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 2016/17 is estimated at £608,000



**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.

54. **Risk Management Implications** - The risks associated with the impact on demand for services have been assessed when considering increases in fees and charges.
55. **Equality and Diversity Implications** - These are reflected in the proposed fees and charges, which also consider where appropriate the individual's ability to pay. Comprehensive Impact Assessments (CIA) have been completed and used to evaluate and take action, if necessary, to mitigate the effects of any equality and diversity implications.
56. **Crime and Disorder Implications** – There are no immediate crime and disorder implications arising from this report.
57. **Sustainability Implications** – There are no immediate sustainability implications arising from this report.
58. **Health Implications** - There are no immediate health implications arising from this report.
59. **Human Rights Implications** - There are no immediate Human Rights implications arising from this report.
60. **Area and Ward Implications** – The recommendations apply to all Areas and Wards.

#### **Background Information**

61. Cabinet Report Budget Consultation 2016/17.