

**TITLE OF REPORT:** Fees and Charges 2021/22

**REPORT OF:** Darren Collins, Strategic Director, Resources and Digital

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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 across all Council services for 2021/22.

### **Background**

2. In 2019/20, the Council raised £25.8m from fees and charges. The forecast for 2020/21 is to raise in the region of £17.8m with the impact of Covid-19.
3. The Council reviews its fees and charges annually, 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 an uplift to reflect the consumer price index and potential employee pay awards of 0.5% and 2.75% respectively. (12-month CPI rate was 0.5% in September 2020)
4. In the Councils' Constitution under delegations to individual managers, the Strategic Director, Resources and Digital 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 2021/22 is presented in Appendix 1 and the full listing is presented in Appendix 2.
6. The overall impact of additional income generated as a result of proposed fees and charges increases on current income is estimated at £0.329m which includes a £0.200m increase in budgeted income that is reflected in the budget proposals considered as part of the revenue budget and council tax setting report.

## **Recommendations**

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

- (i) The fees and charges as set out for 2021/22 in Appendix 2;
- (ii) Authorisation for the Strategic Director, Resources and Digital 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, Resources and Digital 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 2021/22.
5. As part of the annual review, all fees and charges have been considered.
6. Proposals have been made to increase 33% of charges by either 0.5% or 2.75% and a further 1% by above the recommended level. In doing so demand and delivery of Council objectives will not be adversely affected.
7. 65% of charges remain unchanged, three new charges have been proposed and 1% of the 2021/22 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. It is also proposed to reduce a charge.

**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 2021/22 is attached at Appendix 2.

**Increases by Inflation**

It is proposed that 34% are to increase (38% in 2020/21): 33% are proposed to increase by inflation, and 1% are proposed to increase by above inflation. These proposals include:

- **Adult Social Services:** The proposal is to increase the day services, meals and care call charges by inflation. The charges for the Home Care Service and Extra Care are increased in line with the commissioned service rates.
- **Children's services:** It is proposed to increase Active Kidz daily charge, the cost of replacement bus passes and the Early Years Childcare service by inflation. Other charges are to remain the same.
- **Cemeteries and Crematoria:** The service have proposed to increase all Cemeteries and Crematoria charges by the recommended 2.75%.
- **Highways and Transport:** The charges for costs associated with development, Street Naming and Numbering, Network Management and clearance of drains have been increased by the recommended 2.75%.
- **Building Control** – The service have proposed to increase all services by inflation in relation to inspections, building notices and regularisation charges.
- **Housing Related Charges and Licensing:** There are proposals to apply the recommended increase to the charges relating to Housing Act 2004 Actions, HMO Licenses and renewals, immigration inspections and redress schemes for lettings Agency work.
- **Licensing:** The majority of non-statutory licences have been increased by the recommended 2.75%.
- **Hire of Facilities:** The majority of charges have been increased in line with inflation.
- **Sport and Leisure:** The majority of charges have had a price freeze with the exception of the 2.75% inflationary increase for sports pitches due to the need to move further towards cost recovery.
- **Waste Services and Ground Maintenance:** It is proposed to increase the supply and delivery of replacement bins by 2.75%.
- **Recreation:** The majority of the charges have had the recommended inflationary increase applied with the exception of Allotments.
- **Planning:** The charges for planning history searches are proposed to increase by 2.75%.
- **Corporate Services:** The majority of the charges have had the recommended increase applied.

#### **Increases Above inflation:**

1% of charges are proposed to increase by more than inflation.

- **Registrars:** An increase of 20% to the administrative fee for new ceremonies.

- **Waste Services and Grounds Maintenance:** The charge for Green Waste collections has increased by 10%. The price had not increased for over 5 years therefore it equates to an increase of approx. 2% per year over the 5 years of no price increase. (Approved by Cabinet 20 October 2020)
- **Highways and Transport:** The charges for Road Traffic Collision Data (1-4) items are proposed to increase by 6.25% and for subsequent items a 7.5% increase for parity with other local authorities.
- **Business Centres:** The charge for Contribution to Overheads is proposed to increase by 8%.

### No Change

65% of charges are proposed not to change, 15% of which are Statutory. These include:

- **Children's Services:** No proposed increase to most of the charges to continue to be affordable to families from the most deprived areas.
- **Car Parking:** No changes proposed in line with other local authorities in the area. Permits are linked to car parking charges and in turn will remain the same.
- **Property and Land:** No changes proposed to search fees.
- **Development and Public Protection:** The majority of the charges are not proposed to change as they are set by statute.
- **Highways and Transport:** No increase to Streetworks charges as overall impact on revenue is negligible. Road Works and Street Works Permit Scheme unable to change for first 2 years and this is year 2.
- **Libraries-Hire of Facilities:** No proposed changes to the charges for hiring facilities within libraries.
- **Libraries:** Suspension of reservation charges and fines has been requested for 2021/22.
- **Registrars:** Most non-statutory charges have not increased as prices increased significantly last year.
- **Business Centres:** No increases have been applied to the majority of business centre charges due to market conditions.
- **Sport and Leisure:** The service proposes a price freeze on charges. Due to the pandemic, the operation of the service has been severely affected with most activities and services being unavailable. Customers will therefore be asked to meet a 2 year increase in costs at a crucial time of recovery of the industry. It is felt that an increase in fees will result in further inequality of access as residents will be priced out of important health and wellbeing activities. The service also has to consider local rates to remain competitive.

- **Recreation:** Allotments have not had any increases applied as the rents can only be increased every three years. The next increase due 1 April 2022.
- **Licensing:** There have been no increases applied to Statutory services or Taxi Fees pending a full review.
- **Waste Services and Ground Maintenance:** No increase proposed to small/medium sized items collection helping reduce the potential impact on the environment as an increase may risk an increase in fly tipping. MOT test fees also to remain the same in line with no proposed increase to taxi fees in Licensing.
- **Planning:** There have been no change to Statutory services and most Non-statutory services.

### **Reduced Charges**

- **Business Centres:** A 50% reduction in the full day charge for Motion Capture. Businesses based in Gateshead were able to reduce the cost by 50% to £1,500 per day. Businesses not based in Gateshead were unwilling to pay the £3,000 per day price therefore it is recommended to reduce the charge to £1,500.

### **New Charges**

The following charges are to be included in 2021/22:

- **Cemeteries and Crematoria:** A new charge for Webcasting Service.
- **Adult Social Services:** A new Platinum Care Call package to include activity monitoring service.
- **Business Centres:** A new charge for Day Office Hire.

### **Removals**

The following charges are proposed to be removed from the 2021/22 brochure:

- **Car Parking:** Removal of charges for Mill Road Car Park which closed 26 November 2020.
- **Housing Related Charges and Licensing:** The removal of charge for Caution Issue (as an alternative to prosecution).
- **Corporate Services:** Removal of charges for access to information.

### **Consultation**

9. The Budget Consultation 2021/22, which closed on 9 February 2021, sought the views of people who live, work and do business in Gateshead, on the Council's budget options for 2021/22 which will help to direct Council resources over the next year.

## **Alternative Options**

10. There are no alternative options proposed.

## **Implications of Recommended Option**

### **11. Resources**

**a. Financial Implications** – The Strategic Director, Resources and Digital, 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 2021/22 report presented elsewhere on the agenda. The overall impact of additional income generated as a result of proposed fees and charges increases on current income is estimated at £0.329m which includes a £0.200m increase in budgeted income.

**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.

12. **Risk Management Implications** - The risks associated with the impact on demand for services have been assessed when considering increases in fees and charges.
13. **Equality and Diversity Implications** - These are reflected in the proposed fees and charges, which also consider where appropriate the individual's ability to pay. Integrated impact Assessments have been completed for any of the new or significantly increased fees and charges within the report and will be used to evaluate and take action, if necessary, to mitigate the effects of any equality and diversity implications.
14. **Crime and Disorder Implications** – There are no immediate crime and disorder implications arising from this report.
15. **Climate Emergency and Sustainability Implications** – There are no immediate implications arising from this report.
16. **Health Implications** - There are no immediate health implications arising from this report.
17. **Human Rights Implications** - There are no immediate Human Rights implications arising from this report.
18. **Ward Implications** – The recommendations apply to all Wards.

## **Background Information**

19. Budget 2021/22 - Revenue Savings Proposals – 19 January 2021