

Fees and Charges 2018/19

Report of the:	Chief Finance Officer
Contact:	Brendan Bradley/Mark Berry/Ian Dyer/Joy Stevens/Rod Brown
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Annexes/Appendices (attached):	Annexe 1: Committee Fees and Charges 18/19 Annexe 2: Car Park Fees and Charges agreed on 10 October 2017 Annexe 3: Trade Refuse and Recycling Charges 18/19 (exempt from publication)
Other available papers:	Estimates Report Budget Report Report to Environment Committee 10 October 2017 (Parking Fees & Charges 2018/19)

REPORT SUMMARY

This report recommends fees and charges for which this Committee is responsible, with the new charges being effective from 1 April 2018.

Recommendation (s)

That

- (1) the Chief Finance Officer be authorised to vary fees and charges for items generating income under £1,000 per annum and/or for one-off services or items; and**

Subject to the approval of Council, the Committee:

- (2) Agrees the fees and charges for 2018/19 as set out at Annexe 1 and Annexe 2**
- (3) Notes the parking fees and charges agreed by this Committee on 10 October 2017 as set out in Annexe 3.**

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1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 As set out in the revenue estimates report on this agenda.

2 Background

- 2.1 The Council will meet to agree the budget, including estimates of income and expenditure, on 20 February 2018. To enable the budget to be finalised, the Policy Committees are asked to recommend fees and charges covering the services for which they are responsible.
- 2.2 The fees and charges presented in this report are discretionary charges only. For discretionary charges there is scope to generate additional income, to reduce any subsidy of the service or to contribute to an improved budget position.
- 2.3 There are a number of charges set externally that the Council has no power to alter. This restricts the Council's ability to raise additional income and therefore the fees and charges set by statute are not presented to this Committee for approval.
- 2.4 A separate report was submitted to Environment Committee on 10 October 2017, seeking agreement for parking fees and charges for 2018/19, as detailed in **Annexe 2** and which remain unchanged. The Committee agreed those fees and charges in principle at that stage as the proposed changes did not meet the increase in income as required by the Medium Term Financial Strategy. Subsequent alignment of 2018/19 parking income budgets to actual income received in 2017/18 has resolved this short fall.
- 2.5 Parking fees and charges relating to Residents Parking Schemes that were not included in that report are detailed in annexe 1.
- 2.6 The budget guidelines agreed by Strategy and Resources included an overall increase in revenue from discretionary fees and charges of 3%. The guidelines also anticipate that additional income may be generated to contribute to the required savings target.
- 2.7 When preparing estimates, fees and charges have been reviewed by service managers and any negative impact on demand anticipated by increased charges has been considered.
- 2.8 Members should refer to the estimates report on this agenda for an overview of the Committee's budget position.
- 2.9 In January 2013 the Committee agreed that the Director of Finance and Resources (now Chief Finance Officer) should have delegated authority to vary fees and charges for items generating income under £1,000 per annum. The Committee also agreed that the officer be permitted to set charges for one off services or items not included in the fees and charges schedule under delegated authority. In order to reflect the current management structure, the Committee is asked to reconfirm this delegation to the Chief Finance Officer.

3 Proposals

- 3.1 The proposed fees and charges for 2018/19 are set out at **Annexes 1, 2 and 3 (which is exempt from publication for reasons of commercial sensitivity)**. The main variations in fees and charges for each service area outside the range of an increase between 3% to 5% are set out below:

4 Refuse Collection

- 4.1 **Garden Waste (Domestic):** Income from garden waste has historically derived from a combination of subscription payments and recycling credits paid by Surrey County Council (SCC), currently at £23.05 per tonne for 2017/18. SCC has advised that from 2018/19 it will start to remove garden waste recycling credits over three years as a cost-saving measure. The proposed 2018/19 garden waste fees therefore reflect a 3% inflationary element plus the forecast effect of SCC's cost-saving action in 2018/19.
- 4.2 **Garden Waste (Flats and Schools):** Subscriptions have previously been charged at a slightly lower rate to general household garden waste charges. However, this has not served to encourage subscriptions in this small area. Therefore, the proposed increases outlined in Annexe 1 (between 11% and 25%) will fully align these costs with our general charges.

5 Development Control

- 5.1 The pre-application advice fees income budget of £25,748 accounts for less than 5% of the total planning income. These fees have been increased to ensure the Council delivers a timely and well-resourced pre-application service in response to the recommendation of the recent peer review of the Planning Service. This increase also reflects current market costs, as informed by a benchmarking exercise. An average increase of 40% is proposed with the exception of householder inquiries for which the increase is 11%.

6 Licensing & Environmental Health

- 6.1 Licensing Fees have been reviewed with most fees being increased by 3% to 5%. Vehicle licensing fees for Private Hire Operators of 6-10 vehicles and 11+ vehicles have been increased by an average of 22% to reflect additional enforcement and administration costs incurred for larger fleets.

7 Financial and Manpower Implications

- 7.1 The impact of the proposed fees and charges for services in 2018/19 is set out below

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	Increase in Income Budget Target (3%) £'000	Increase/(Decrease) Due to Changes to Tariffs £'000	Increase/(Decrease) Due to Other Changes £'000	Total Change Increase/(Decrease) £'000	Variation Between Target and Total Change £'000
Car Parks	113	62	66	128	15
Refuse Collection	50	55	(84)	(29)	(79)
Markets	3	3	0	3	0
Development & Building Control	12	78	(30)	48	36
Cemetery	15	15	(48)	(33)	(48)
Licensing & Environmental Health	6	6	9	15	9
Total	198	219	(87)	132	(66)

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- 7.1 The charges proposed will generate an additional estimated income of £219k, offset by a reduction in income of £87k as a result of other changes, such as change in volumes, resulting in a net additional income of £132k. This has been taken into account in the budget to be presented to the Council next month.
- 7.2 The total changes have resulted in the Environment Committee being £66k adverse to the targeted budgeted income from fees and charges for 2018/19. This is mainly attributable to the changes in arrangements with Surrey County Council (SCC) on recycling. Recycling credits previously received based on volumes of recycling are being replaced in 2018/19 by fixed payments based on the number of residents in each Waste Collection Authority.
- 7.3 The majority of increase within Planning budgets is due to the update to national planning fee regulations allowing a 20% increase in fees. As these fees are set by statute they are outside the scope of this report. The reduction in budget of £30k due to other changes relates to a reduction in the Building Control income budget which is under pressure due to the Council (as with other LAs) losing market share to external Approved Inspectors.
- 7.4 Cemetery fees and charges have been uplifted by 3% but there has been a reduction in the budgeted volume based on the current level of demand.
- 7.5 The revised level of income has been included in the medium term financial strategy to help towards a balanced budget over the next 4 years. A detailed breakdown of the 2018/19 budget can be found in the budget report included on this agenda.
- 7.6 ***Chief Finance Officer's comments:*** All financial implications are included within this report.

8 Legal Implications (including implications for matters relating to equality)

- 8.1 ***Monitoring Officer's comments:*** There are no specific issues arising from this report but the Council's resources will need to be applied to ensure that it fulfils its statutory obligations and delivers its policy on equalities.

9 Sustainability Policy and Community Safety Implications

- 9.1 None for the purposes of this report.

10 Partnerships

- 10.1 None for the purposes of this report.

11 Risk Assessment

- 11.1 Income from services remains at risk due to the state of the economy. Charges have been set taking into account market conditions.

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- 11.2 The continued delivery of Council services is dependent upon income generation, creating a risk to service delivery if charges are not set at levels that make a significant contribution to the Council's finances.

12 Conclusion and Recommendations

- 12.1 This report proposes new fees and charges for services with effect from 1 April 2018.
- 12.2 The impact of changes in fees and charges has been estimated and incorporated in the Committee's budget estimates 2018/19. If lower charges are agreed the Committee will be required to identify cost savings to enable the Council to meet its overall budget target.

WARD(S) AFFECTED: N/A