

# **AUDIT AND RESOURCES COMMITTEE**

**24 NOVEMBER 2020**

**CABINET**

**26 NOVEMBER 2020**

## **CORPORATE FEES AND CHARGES**

### **Report of the Strategic Planning Manager**

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#### **Recommendation(s)**

##### **For Audit and Resources Committee:**

**It is recommended that the Audit and Resources Committee note the proposed fees and charges and make any necessary recommendations to Cabinet.**

##### **For Cabinet:**

**It is recommended that Cabinet approve all proposed fees and charges in Appendices A to I to come into effect on the dates outlined in the report, including, given the impact that COVID-19 has had on low income households and in line with the Tackling Deprivation objective, all of the Council's concessionary charging rates are proposed to be frozen this year for these households.**

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#### **Summary**

Fees and Charges for Council services are reviewed on a regular basis. In accordance with the Budget Plan, fees and charges levied by the Council are reviewed annually with the intention of any changes being introduced, where possible, with effect from January 2021. This report contains the fees and charges for services directly overseen by Cabinet. The increases in this report will be budgeted to achieve an additional yield of £111,650 in 2021/2022 which is in line with the Medium Term Financial Plan.

#### **Statutory Powers**

Section 151 of the Local Government Act 1972

Section 93 of the Local Government Act 2003

Environmental Protection Act 1990

## **Strategic Implications**

1. This report relates to a range of Corporate Plan objectives and the Council's principle of operating in a business-like, commercially focussed way. The report reflects the Council's approach to minimise the levels of (compulsory) Council Tax while seeking to cover Council costs from fees and charges from discretionary services.
2. The proposals in many areas promote health and wellbeing by setting discounted rates for community or non-commercial groups; they also help tackle deprivation by providing discounted rates for individuals experiencing socio-economic deprivation. The report reflects the Council's Climate Emergency and Excellent Environment objectives in applying the highest possible penalties for environmental offences such as littering, flyposting and graffiti.

## **Introduction**

2. The purpose of this report is to outline proposed changes to corporate fees and charges levied for services by the Council and approved by Cabinet. A minimum increase in yield of 2.0% for all fees and charges should be implemented, where possible, from January 2021.
3. Service Managers consider their fees and charges in the context of service development in addition to recognising the Council's policy to generate additional funds by way of maximising the yield from all income sources.
4. There are other fees and charges within the Council's Budget to which an inflationary increase cannot apply. These income streams are mainly grants or related to contracts and therefore cannot be increased to raise further income.
5. COVID-19 has had a significant impact on some services that generate fee income, leading to lower than usual yields in 2020/21. Details are shown for each area where this is expected to continue in 2021/22. In many areas there is a raised level of uncertainty. The Council's usual financial monitoring processes will track actual performance and any budget adjustments will be reported to Cabinet and incorporated into the Medium Term Financial Plan.
6. Given the impact that COVID-19 has had on low income households and in line with the Tackling Deprivation objective, all of the Council's concessionary rates are proposed to be frozen this year. This freeze would represent a real-terms reduction in the cost of the services to residents in receipt of certain benefits.
7. To support the local economy and town and local centres during the health crisis, businesses will benefit from a real-terms reduction in Environmental Health service costs and a reduction of up to 80% in the cost of Table and Chairs Licences. To support the recovery of the Borough's town and local centres, parking tariffs in car parks will also be frozen.

## Budget Devolution

5. Councillors should note that following Cabinet approval in September 2012, the following services are devolved to Local Area Committees and therefore the fees and charges for these areas are now set by those Committees:
  - Car Parking;
  - Cemeteries;
  - Itchen Valley and Lakeside Country Parks;
  - Outdoor sports facilities;
  - Allotments.
8. Local Area Committees have the discretion to set fees for services devolved to their Areas, subject to compliance with the corporate target to generate an additional minimum yield from fees and charges of 2.0%.
9. Car parking income has significantly reduced due to COVID-19 restrictions; the corporate yield target has not been applied to this area, and Local Area Committees are therefore not expected to meet any shortfall.

## Services Managed Directly by Cabinet

7. There are a number of services that are managed by Cabinet and these services are listed below with their respective appendix references.

Appendix	Description
A	Arts and Culture
B	Direct Services
C	Health and Wellbeing
D	Housing and Development
E	Environment
F	Economic Development
G	Support Services
H	Strategy
I	Local Operations

## Arts and Culture (Appendix A)

8. Arts and Culture staff have reviewed the fees and charges and the proposed increases are in line with other market providers. All other fees and charges have been amended based on what is considered an acceptable level for the client base. The community theatre hire increase reflects services and support provided and have been kept to a minimum. The studio hire charges recognise the refurbishment and market prices.

## **Direct Services (Appendix B)**

9. Given the impact that COVID-19 has had on low income households, all the Council's Concessionary rates will not be increased. This freeze will represent a real terms reduction in the cost of the service to residents who are in receipt of discounted Pest Control and Garden or Bulky waste collections.
10. There will be no increase in fees for the first eight items collected through the Council's Bulky waste service. This is intended to support households having difficulty accessing HWRCs and to support efforts to reduce Fly-tipping.
11. Garden Waste Service: The Head of Direct Services has reviewed the fees and charges for this service and recommends that the charges are slightly increased. The service will remain 30% cheaper than neighbouring authorities who are replicating Eastleigh's Garden waste model. The increase would generate an additional income of £15,144.
12. Trade waste: Increases of individual contract charges do vary across the existing customer base dependent on the value of the contract and the existing yield which the contract delivers. In total, trade waste charges are expected to provide an additional increased yield of £18,160 which equates to 2%.
13. Vehicle Workshop: Hackney Carriage and Private Hire Certificate of compliance will remain the same.
14. Pest Control and Gardening Scheme: It is proposed that the gardening scheme fees are increased in line with the yield target.
15. Tree Nursery: New Fees have been introduced in relation to the tree sponsorship programme.
16. All other proposed fees and charges in Direct Services are in line with the recommended level of 2.0%.

## **Health and Wellbeing (Appendix C)**

17. The operator of Places Leisure Eastleigh (Places for People) and Council Staff have reviewed the charges for January 2021 onwards. The proposed

Council target of an additional 2% yield has been taken into consideration. Other factors such as usage trends, operational costs, recent investments, competitors' pricing policies and the customer's ability to pay have also been considered.

18. Proposals were presented to the Places Leisure Eastleigh Consultative Group on the 6 October 2020 and proposed charges were approved by this Group.
19. The Health and Wellbeing Senior Specialist does not propose to increase the fees and charges at The Hub as these were last increased in May 2019.

### **Housing and Development (Appendix D)**

20. The overall fees increase for Housing and Development will generate an additional £23,530. For planning applications submitted on or after 1st January 2021 that have an associated Section 106 agreement with them, a S106 monitoring fee will be applied to the legal agreement. This will be a charge that the applicant/developer is to pay to the Council and covers the officer's time in processing the legal agreement once it becomes "live", monitoring the obligations of the applicant to ensure that they are fulfilled at the relevant trigger point and then the Council's undertaking of their covenants within the agreement. The fee varies depending on the scale of development proposed.
21. Only a modest increase in Land Charges is proposed to cover increased costs, however the predicted income for this service will need to be reduced in future years as "non-fee earning" personal searches are becoming increasingly common".

### **Environment (Appendix E)**

22. A large number of the Environmental charges are set nationally through legislation. Other fees and charges have generally been increased by 2.0% and it is anticipated that in total the service will generate an income yield in line with the corporate target.
23. Animal Welfare and Collection of Stray Dogs: With the agreement of the Head of Local Operations charges have been amended in line with yield target.
24. Vehicle Salvage fees have increased in-line with the cost of managing this service.
25. To support the recovery whilst ensuring accessibility and safety of the Borough's highstreets, from January 2021 the cost of Table and Chairs Licences will be temporarily reduced by 80% costing just £50 for all new or renewal applications. From the 1 January 2022 new applications will then rise to £100, representing a reduction of over 50% to support business who wish to transition over from Pavement Licences.

26. Highways and Engineering Fees are generally proposed to increase in line with the yield target. Disabled Bay applications and the first road closure for community organisations have been frozen.
27. Boat and Boatmen Licences have increased in line with inflation, the service is under review and these fees are likely to be restructured during 2021.
28. Councillors will be aware that the administration of the Taxi and Hackney Carriage Licensing Service transferred to Southampton County Council in 2016. The service is a ring-fenced service and is required to break-even. The proposed Fees and Charges will be presented to the Administration Committee on 9 December 2020.
29. Car parking income has significantly reduced due to COVID-19 restrictions; the corporate yield target has not been applied to this area, and Local Area Committees are therefore not expected to meet any shortfall. To support the recovery of local district centres no increases are proposed for off-street and on-street pay and display parking tariff levels. Residential Parking permits will continue to increase as per the agreed transition towards the Hampshire County Council minimum fee levels.

### **Economic Development (Appendix F)**

30. The overall fees increase for Economy are expected to generate an additional £2,270. The Head of Economy and Business is proposing just over a 3% increase on Primary Authority charges and removing the audit fee. The Service will introduce new charges in 2021 in consultation with its Primary Authority Partners.
31. For other charges relating to the economy i.e. Environmental Health training courses and various vendor licences, it has been agreed by the Head of Economy and Business to keep charges at the previous year levels. This reflects the financial state of business at the moment and our sensitivity to their ability to pay an increased fee for services

### **Support Services (Appendix G)**

32. The Asset Management Service fees are driven by what is deemed to be reasonable in the market. Legal advice is being sought on appropriate charges for restrictive covenant applications in respect of former council houses and whilst this is awaited staff have simplified our procedures and have reduced our fee accordingly in respect of such applications. However it is anticipated that the fees overall will achieve the 2.0% increase in yield.
33. Fees for chargeable Legal work are capped to only cover costs, with an increase yield expected due to changes in demand.

### **Strategy Directorate (Appendix H)**

34. Strategy Directorate fees and charges are shown at Appendix H: charges for paper copies of the Local Plan, roundabout sponsorship and Elections.

### **Local Operations (Appendix I)**

35. The Local Response Team currently undertake the deployment of the Speed Limit Reminders (SLR)\Speed Indicator Device (SID) for the Local Area Committees. No change is proposed to the £75 fee, with increased yield expected from greater demand.

### **Risk Assessment**

36. There is always a risk that proposed charges will not yield the overall anticipated 2.0% additional income target for the Budget. The impact of changing the fees and charges needs to be balanced against the impact on demand, giving rise to changes in overall yield; this will be monitored closely during the quarterly Corporate Performance and Financial Monitoring processes throughout the year.

### **Financial Implications**

37. The table below shows the estimated income yield increases across services for 2021/22 as a result of the proposed fees and charges. However due to significant changes in demand and higher than usual levels of uncertainty, overall income levels are anticipated to be lower in 2021/22. Further work on future income levels for services will be completed as part of the upcoming budget process which will review all income levels.

Arts and Culture	£3,690
Direct Services	£38,440
Health and Wellbeing	£310
Housing and Development	£23,530
Environment	£630
Economy	£2,270
Support Services	£1,100
Local Response (Parking)	£41,680
<b>TOTAL</b>	<b>£111,650</b>

## **Equality and Diversity Implications**

38. Any service equality and diversity implications will have been considered by functional leads as part of their Service Planning processes. There are no specific equality and diversity issues associated with this report which simply presents a summary of Cabinet-controlled fees and charges for the Council.

## **Climate and Environmental Emergency implications**

39. Climate and Environmental Emergency implications are predominantly managed through the service planning process.

## **Conclusion**

30. The Council undertakes an annual review of all fees and charges. Where possible, the review reflects the Council's Budget requirement to achieve an increase of 2.0% in yield. The above increases will be budgeted to achieve an additional yield of £111,650 in 2021/2022. Where possible, fees and charges will be increased with effect from January 2021.

DICCON BRIGHT

Strategic Planning Manager

Date: 15 October 2020  
Contact Officer: Diccon Bright  
Tel No: 023 8068 8436  
e-mail: Diccon.bright@eastleigh.gov.uk  
Appendices Attached: Appendices A-I

## **LOCAL GOVERNMENT ACT 1972 - SECTION 100D**

The following is a list of documents which disclose facts or matters on which this report or an important part of it is based and have been relied upon to a material extent in the preparation of this report. This list does not include any published works or documents which would disclose exempt or confidential information.

None