

Central Bedfordshire Council

EXECUTIVE

11 October 2016

Fees and Charges 2017

Report of Cllr. Richard Wenham, Executive Member for Corporate Resources
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This report relates to a non-Key Decision

The report proposes the revised Fees and Charges prices for 2017; identifies new services for which it is proposed that Fees or Charges will be levied; and identifies those charges where proposed increases are significantly different from the 1% advisory increase as per the 2017/18 Budget Strategy.

RECOMMENDATIONS

- 1. The Executive is asked to agree the Fees & Charges prices for 2017 (Appendix A) and recommend to Council.**
- 2. Agree the new Fees & Charges that are proposed to be introduced for 2017 (Appendix B).**
- 3. Agree that Fees & Charges for Social Care, Health and Housing (including HRA) is taken to February 2017 Executive and Council (see paragraphs 5 – 6).**
- 4. Note that whilst some statutory charges have been left at the 2016 rate currently, these will be amended to the new charges once the Council has been advised of the rates applicable to 2017.**
- 5. Note the progress of the Fees & Charges cyclical review process (Appendix C).**
- 6. Note the Fees & Charges that deliver the most income or highest volume usage (Appendix D).**
- 7. Note the comments from the Overview & Scrutiny Committees (Appendix F – Note to Committees - this will be added following the OSC meetings in August/September).**

Overview and Scrutiny Comments/Recommendations

1. The proposed Fees & Charges proposals are planned to go to all four Overview & Scrutiny Committees during their August 2016 cycle for comment. Comments made by the Overview & Scrutiny Committees are provided as Appendix F.

Background

2. The Council's Charging Policy states that 'All Fees and Charges will be reviewed annually and adjusted as necessary in line with the Council's charging policy. The Chief Finance Officer will provide Directorates with guidance each year as to the maximum inflation rate that may be applied.'
3. The Fees & Charges Policy was approved by Council in November 2014. It states that 'All fees and charges should be reviewed on a more fundamental basis at least every 3 years, where it will be necessary to examine all the factors set out in accordance with good practice guidance i.e. the CIPFA Practical Guide for Local Authorities on Income Generation (Fully revised 2008).' This is currently being undertaken on a rolling basis.
4. The Chief Finance Officer has advised that the inflation rate to be applied in line with the Corporate Budget Strategy is 1%. Where there have been significant variations from this advisory level these have been identified at Appendix B.

Adult Social Care and Housing Revenue Account (HRA).

5. Social Care, Health & Housing (SCHH) are currently evaluating new services to be implemented from April 2017. Given that the changes to the Service Model and the scope of service provided is potentially far reaching and offers significant benefit to older people, it is proposed that the charges are not implemented through the Fees and Charges report to the Executive in November 2016. As a result it is proposed to take the SCHH Fees & Charges to February 2017 Executive and then to February 2017 Council.
6. The reason for this recommendation is to enable SCHH and the HRA to fully evaluate the implications of new services as these will be delivered to some of the most vulnerable members of our population.

Pricing for 2016

7. The review of prices proposed for 2017 reflect three pricing options:

- Prices remain at their 2016 level either because they are in line with other providers (Local Authorities) or because there is insufficient data available to support a price change.
 - Prices increased with inflation.
 - Prices increased by more than inflation if there is sufficient information to justify an increase.
8. A list of those Fees & Charges proposed to increase in line with inflation or to be held at 2016 prices is at appendix A. There are no price changes proposed in excess of 1% (except for roundings).
 9. Some statutory charges have been left at the 2016 rate and will be revised once the authority has been advised of the rates applicable to 2017.
 10. With the exception of Social Care and Housing, the implementation date of the price changes for 2017 is the 1st January 2017 wherever possible.
 11. New proposed services for 2017 along with a recommended price are shown at Appendix B.
 12. Car parking charges were increased in 2016 and there is no proposed increase for 2017. The Council is investing in improving the technology and customer experience of our busiest car-parks which will see new ticketing machines and a move to 'pay on exit' rather than customers having to estimate how much parking time they need to pay for. This will also see greater enforcement capacity being released in order to manage on-street parking more effectively, helping compensate for the loss of Automatic Number Plate Recognition (ANPR) cars. Following the introduction of this new technology, prices will be reviewed.

Approach to Reviewing Fees & Charges prices.

13. As mentioned above, all Fees and Charges should be reviewed on a more fundamental basis at least every 3 years.
14. Due to the sheer number of Fees & Charges, this is currently being undertaken on a rolling basis and is being coordinated by Finance. For 2017 all Directorates within the Council have been asked to identify the top ten Fees & Charges to review. This task was undertaken between May 2016 and July 2016.
15. Fees & Charges reviews will be phased throughout the year (not tied to the MTFP process) to ensure all Fees & Charges are reviewed within a three yearly cycle.
16. A copy of the review questions posed during the review is attached at Appendix C and a full register will be kept within Finance. Again, due to

the sheer size and volume of information held, the outcome of individual reviews has not been included within this paper, but a list of those that have been reviewed is also provided at Appendix C.

Consultation

17. It is not necessary to consult on F&C where:

- the price change is limited to a 1% inflationary uplift only, and;
- there is no change to the service provided nor the type of customers that would access the service (no equality impact).

18. Should the price change (increase) by more than an inflationary increase, the nature of the service change, or the make up of customers that could access the service change then a consultation will need to be undertaken for those particular F&C. It is also deemed as good practice to consult if new services are offered.

19. The timetable allows for sufficient time to undertake any necessary consultation during August to September, feeding in the consultation results to the October 2016 Executive.

Next Steps

20. As mentioned above, the full review of all Fees & Charges needs to be undertaken on a rolling basis due to the large number of services provided to the public and external organisations. Although there continues to be significant progress in establishing a data base of relevant information, and the Council is much better placed now compared to a year ago in terms of understanding the cost drivers for some of our Fees & Charges, there is still some way to go and a full review cycle is likely to be spread over a three year period.

21. The findings from the review to date are being captured in a database that continues to be developed, and once complete this review will provide the Council with valuable information on a charge by charge basis identifying such things as revenues generated, volumes sold, cost of fulfilment and therefore the financial contribution to the Council.

22. This will enable a fuller understanding of which Fees & Charges generate the most value for the Council, and which are not cost effective to charge for (cost of billing exceeds income).

23. This will enable the Council to better target those Fees & Charges for which it would be worth improving the Council's marketing strategies to generate additional volume and therefore revenue, and which might be offered free of charge.

24. A proposal might also be developed to move payment for Fees & Charges onto a pre-paid basis (debit/credit card) where the cost of invoicing is not economically viable. This will be reviewed during the summer/autumn of 2016 in order to implement for January 2017 if approved.
25. The review should also enable the Council to streamline its offer as it may look to cease discretionary services for which there is little take up or find alternative methods of delivering such services.
26. The Medium Term Finance Plan included the creation of a Commercial Analyst role within Finance. The purpose of this role is twofold.
- a. To improve our income reporting processes including Fees & Charges, and;
 - b. To identify new sources of income for the Council to consider through benchmarking with other local authorities and other public sector organisation.
27. Once this role is recruited to it will support the Council to look at new opportunities to introduce new Fees & Charges that contribute to the Council's finances.

28. Reason/s for decision

29. To agree the Fees & Charges prices for 2017 as part of delivering a balanced budget for 2017/18 and identify resource requirements for the Medium Term.

Council Priorities

30. The annual review and setting of the Council's Fees and Charges are integral to the Council's Budget Strategy and the legal requirement to deliver a balanced budget. The review ensures a rigorous, responsible and realistic approach is taken to determine the appropriateness and relevance of the Council's schedule of Fees and Charges. Setting a balanced budget ensures the Council allocates its resources to deliver the priorities. These are:
- Enhancing Central Bedfordshire
 - Improving Education and Skills
 - Protecting the Vulnerable; Improving Wellbeing
 - Creating Stronger Communities
 - Great Resident Services
 - A More Efficient and Responsive Council

Corporate Implications

Legal Implications

31. The Council has various powers to charge for aspects of the services it provides. The general rule is that when it is carrying out a statutory duty the Council can only make a charge where there is specific power to do so. Section 93 of the Local Government Act 2003 provides that when the Council is providing a discretionary service, it may charge for the service, provided the person receiving the service has agreed to its provision. Overall the income from such charges must not exceed the current full economic cost to the Council of the provision.

Financial Implications

32. These are contained in the report.

Equalities Implications

33. Where appropriate, Equalities Impact Assessments will be carried out for proposals.

Conclusion and next Steps

34. If recommended by the Executive, the proposed charges for 2017 will be presented to Council at its meeting of 17th November 2016 for approval.

Appendices

Appendix A – Fees & Charges Schedules – proposed prices 1% increase or held at 2016 prices

Appendix B – New Charges

Appendix C – Fees and Charges Review

Appendix D – Highest Revenue/Volumes Fees & Charges.

Appendix E – All Statutory Fees & Charges

Appendix F – Comments from Overview & Scrutiny (to follow).