

# East Suffolk Shadow Authority

Agenda  
item 9

## SHADOW CABINET

Monday 10 December 2018

### FEES AND CHARGES FOR 2019/20 (REP 16(SH))

#### EXECUTIVE SUMMARY

1. Income from fees and charges is an integral part of the Medium Term Financial Strategy (MTFS), generating essential funding for the Council to help minimise Council Tax increases and/or service reductions.
2. It is vital to ensure that our charges reflect any changes in costs or demands, that have either already occurred, or are expected to occur over the next year.
3. In addition, the financial constraints currently faced by the Council makes it essential to ensure its income from fees and charges is consistent with the East Suffolk Business Plan and relevant central Government legislation.
4. From 1<sup>st</sup> April 2019, it is proposed that East Suffolk Council no longer charges for the burial of under 18 year olds at its cemeteries through the district.
5. Shadow Cabinet is asked to consider and approve the schedule of Discretionary Fees and Charges as set out in Appendix A and to note the schedule of Statutory Charges as set out in Appendix B. The date for implementation of the charges is 1<sup>st</sup> April 2019.

Is the report Open or Exempt?

Open

**Wards Affected:**

All Wards across East Suffolk

**Cabinet Members:**

Councillors Stuart Lawson and Bruce Provan

Cabinet Members with Responsibility for Resources

**Supporting Officer:**

Simon Taylor

Interim Chief Finance Officer

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## **1 INTRODUCTION**

- 1.1 All councils provide a wide range of services to their communities, often for a fee or charge. The nature of these fees and charges generally depends on whether they relate to statutory or discretionary services. Some of these, such as those for statutory fees, are set by Government statute and are commonly known as ‘regulatory fees’. In these cases councils usually have no control over service pricing.
- 1.2 Fees and charges are a significant source of income for councils. The Local Government Act 1989 gives councils the power to set these fees and charges to offset the cost of their services. A widely accepted public sector pricing principle is that, fees and charges should be set at a level that recovers the full cost of providing the services, unless there is an overriding policy or imperative in favour of subsidisation. Section 93 of the Local Government Act 2003 enables local authorities to charge as they choose to for discretionary services; provided they are not restricted by other legislation and they do not make a profit.
- 1.3 In setting fees and charges councils must apply principles of sound financial management and need to consider a range of ‘Best Value’ principles including service cost and quality standards, value-for-money, as well as balance the affordability and accessibility of their services.
- 1.4 Councils must also comply with the Government’s Competitive Neutrality Policy for significant business activities they provide and adjust their service prices to neutralise any competitive advantages when competing with the private sector.
- 1.5 The Council’s policy is to review Fees and Charges each year. The Medium Term Financial Strategy – Key Principles states the current policy on fees and charges:  
“Increase existing fees and charges on a market forces basis whilst having regard to the Council’s policies and objectives. As a minimum, fees and charges should be increased by price inflation. The Council will also review opportunities to introduce new fees as appropriate”.
- 1.6 Fees and Charges can be categorised into two groups:
- Discretionary Fees and Charges for approval by the Shadow Cabinet; and
  - Statutory Fees and Charges that have to be set in accordance with legislation and Central Government Regulations.
- 1.7 The purpose of this report is to seek approval for the Discretionary Fees and Charges to be implemented in 2019/20 by East Suffolk Council. These are shown in Appendix A.
- 1.8 Generally any increase in fees and charges will take effect from 1<sup>st</sup> April 2019. However if the fees and charges are set by statute these will vary per the date set by Government regulation. Details of the date of introduction are included in the Appendices to this report.

## **2 KEY POINTS**

- 2.1 The proposed Discretionary fees and charges for 2019/20 have been set taking account of the following:
- Where only the full cost of service provision can be charged, the fee or charge reflects the full cost, including an apportionment of support service costs.
  - Where the Discretionary fee or charge is set at the market rate, these have been benchmarked and set at the appropriate rate taking into account demand for the service

but ensuring that any competitive advantage is neutralised if in competition with the private sector.

- Review opportunities to introduce new fees as appropriate.
- Where appropriate, alignment of fees and charges from the predecessor Councils.
- Building Regulation charges are no longer published at the request of the Head of Planning and Coastal Management. This is because there is considerable competition from the private sector for the provision of this service and the publication of the Council's charges in this area would result in the Building Regulation service facing a competitive disadvantage and loss of income.

2.2 Other Discretionary Fees and Charges which do not fall into any of the above, have been increased by the Retail Prices Index (3.4%, June 2018), subject to rounding.

2.3 It is also proposed that East Suffolk Council does not charge for the burial of under 18 year olds within its cemeteries across the district.

### **3 HOW DOES THIS RELATE TO THE EAST SUFFOLK BUSINESS PLAN?**

3.1 Income generated from fees and charges contributions towards the East Suffolk Business Plan strategy of Financial Self Sufficiency, in ensuring full recovery of costs and taking opportunities to introduce new fees and charges.

### **4 FINANCIAL AND GOVERNANCE IMPLICATIONS**

4.1 Income from fees and charges is an integral part of the MTFs, generating essential funding for the Council to help minimise Council Tax increases and/or service reductions.

4.2 The Council must set fees and charges within the governing legal framework. Some fees and charges are subject to legislation, for example income being limited to cost recovery, or are set by the Government on a national basis.

### **5 OTHER KEY ISSUES**

5.1 The Council can use fees and charges as a mechanism to contribute to the delivery of the East Suffolk Strategic objectives of Enabling Communities and promoting Economic Growth, by encouraging healthier lifestyles through the use of sports and leisure facilities or providing marketing opportunities to promote tourism to the benefit of the local economy.

5.2 This report has been prepared after taking into account the results of Equality Impact Assessments.

### **6 CONSULTATION**

6.1 The proposals have been made by Heads of Service with input from budget managers. There have also been discussions with both Suffolk Coastal Norse and Waveney Norse.

### **7 OTHER OPTIONS CONSIDERED**

7.1 Not to make changes to fees and charges that the predecessor Councils previously approved. This was rejected in order to meet the East Suffolk strategic objectives and the Council's Policy on Fees and Charges.

### **8 REASON FOR RECOMMENDATIONS**

8.1 To set the Council's fees and charges from 1<sup>st</sup> April 2019.

#### **RECOMMENDATIONS**

1. That the Discretionary Fees and Charges set out in Appendix A to REP 16 (SH), for implementation from 1<sup>st</sup> April 2019, be approved
2. That the level of the fees and charges set by statute and the timing of any increase in these, as set out in Appendix B to REP 16(SH), be noted

#### **APPENDICES**

##### **Appendix A**

Proposed schedule of Discretionary Fees and Charges from 1<sup>st</sup> April 2019

<b>Appendix B</b>	Schedule of Statutory Fees and Charges from 1 <sup>st</sup> April 2019
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**BACKGROUND PAPERS**

Please note that copies of background papers have not been published on the Council’s website but copies of the background papers listed below are available for public inspection free of charge by contacting the relevant Council Department.

<b>Date</b>	<b>Type</b>	<b>Available From</b>
Various dates	Equality Impact Assessments	Simon.taylor@eastsoffolk.gov.uk
Various dates	Working papers	<a href="mailto:Simon.taylor@eastsoffolk.gov.uk">Simon.taylor@eastsoffolk.gov.uk</a>