

**HERITAGE, CULTURE & LEISURE
COMMITTEE**

31 January 2017

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

**MEDIUM TERM FINANCIAL STRATEGY 2017/18 – FEES &
CHARGES**

Final Decision-Maker	Heritage, Culture & Leisure Committee
Lead Director or Head of Service	Mark Green, Director of Finance & Business Improvement
Lead Officer and Report Author	Ellie Dunnet, Chief Accountant
Classification	Non-exempt
Wards affected	All

This report makes the following recommendations to the final decision-maker:

1. That the Committee approves the proposed fees and charges for 2017/18 as set out in detail in **Appendix A**.

This report relates to the following corporate priorities:

Increases in fees and charges can have a significant impact on the Council's ability to meet its objectives.

Timetable

<i>Meeting</i>	<i>Date</i>
Heritage, Culture & Leisure Committee	31 January 2017

MEDIUM TERM FINANCIAL STRATEGY 2017/18 – FEES & CHARGES

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report sets out the proposed fees and charges for 2017/18 for the services which fall under the responsibility of this Committee and generate income through a charge to the service user. For the fees and charges which are set at the Council's discretion, the Committee is asked to consider the appropriateness of the proposals set out in Appendix A to this report.
 - 1.2 Fees and charges for some services are set in accordance with statutory requirements meaning that the council is not able to apply discretion when setting the level to be charged. This is not the case for any of the fees which fall under the responsibility of this committee.
 - 1.3 This decision forms part of the Council's medium term financial strategy (MTFS) and budget for 2017/18. Committee members are therefore encouraged to keep in mind the impact of the proposed changes on the MTFS and budget when considering the proposals.
 - 1.4 The proposed changes will be effective from 1 April 2017 unless otherwise stated within the report or appendix.
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2. INTRODUCTION AND BACKGROUND

- 2.1 The Council has a corporate fees and charges policy which sets out the approach that the Council takes in setting its fees and charges for the forthcoming financial year. The policy promotes consistency and a focus on the strategic objectives of the Council when setting fees and charges.
- 2.2 The policy covers fees and charges that are set at the discretion of the Council and does not apply to services where the Council is prohibited from charging, e.g. the collection of household waste. Charges currently determined by central government, e.g. certain licence fees, are also outside the scope of the policy. However, consideration of any known changes to such fees and charges and any consequence to the medium term financial strategy are included in this report.
- 2.3 In addition to raising income to fund the Council's services, the policy seeks to ensure that conscious decisions are made on the subsidy level for individual services, concessions, and the impact on service users and on the Council's Strategic Plan. It is assumed that a charge will be levied for a service unless there is a justification not to do so arising either from strategic considerations or legal constraints.
- 2.4 The policy also proposes that a review of all fees and charges will occur annually in line with the development of the Medium Term Financial Strategy. The review of fees and charges should consider the following factors:
 - a) The Council's strategic plan and values, and how they relate to the specific services involved;
 - b) The level of subsidy currently involved and the impact of eliminating

that subsidy on the level of fees and charges, the effect on users and the social impact;

- c) The actual or potential impact of any competition in terms of price or quality;
- d) Trends in user demand including an estimate of the effect of price changes on customers;
- e) Customer survey results;
- f) Impact on users both directly and in terms of delivery of the Council's objectives;
- g) Financial constraints including inflationary pressure and service budget targets;
- h) The implications arising from developments such as an investment made in a service;
- i) The corporate impact on other service areas of Council wide pressures to increase fees and charges;
- j) Alternative charging structures that could be more effective;
- k) Proposals for targeting promotions during the year and the evaluation of any that took place in previous periods.

2.5 The detailed results of the review carried out this year are set out in Appendix A and the approval of the Committee is sought to the amended fees and charges for 2017/18 as set out in that appendix.

2.6 As required by the policy, the fees and charges budgets for 2017/18 set out in Appendix A reflect consideration of the effect of increasing the charges, such as elasticity of demand and creating movement of users to competitors or ceasing to use a service. Each area has been considered separately and in all cases the policy has been followed.

2.7 The table below summarises the 2015/16 outturn and 2016/17 estimate for income from the fees and charges which fall under the responsibility of this Committee. It also shows the proposed budget increase that can be achieved from increased fees and charges for each service. Note that the table only shows proposals relating to increased fees and charges and so does not include other budget proposals that may impact these service areas. The approval of the Committee is sought to the proposed levels of budgeted income for 2017/18 as shown in the table. The total increase in income expected to arise from these proposals is £55,480, which amounts to a 3.6% increase in the overall budgeted income figure for this Committee for 2016/17.

Service Area	2015-16 Outturn	2016-17 Estimate	Proposed increase in income	2017/18 Estimate
Museum	£64,899	£64,500	£0	£64,500
Parks & Open Spaces	£55,912	£60,040	£0	£60,040
Cemetery	£148,270	£137,640	£0	£137,640
Crematorium	£1,119,416	£1,107,670	£55,480	£1,163,150
Market	£167,607	£179,840	£0	£179,840
Total	£1,556,104	£1,549,690	£55,480	£1,605,170

Table 1: Fees & Charges Summary (HCL)

3. AVAILABLE OPTIONS

- 3.1 **Option 1:** The Committee could approve the recommendations as set out in the report, adopting the revised fees and charges as proposed in Appendix A. As these proposals have been developed in line with the Council's policy on fees and charges they will create a manageable impact on service delivery whilst maximising income levels.
- 3.2 **Option 2:** The Committee could agree different increases to those proposed. Any alternative increase may not be fully compliant with the policy, would require further consideration before implementation and may not deliver the necessary levels of income to ensure a balanced budget for 2017/18.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 Option 1 is the recommended option. Officers have considered all aspects of the policy in developing the proposed fees and charges set out in Appendix A and they are in line with the policy's factors set out earlier in this report.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 No specific consultation has been completed on these fees and charges but the resident's survey included questions relating to direct payment for services and this option is seen by residents as the second most popular way of managing pressures on Council budgets, with over one third of responders voting in favour of this option. The most popular option relates to being more efficient in the delivery of services.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The decision of the Committee will be reported to Policy & Resources Committee. This will assist Policy & Resources Committee in making a final recommendation on a balanced budget to Council.
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7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>Increases in fees and charges can have a significant impact on the Council's objectives. The use of the policy as a guide to assessing a correct level of increase means that the most appropriate levels are proposed in this report.</p> <p>The direct charging of a fee for a service reduces the level of subsidy required by all council tax payers and ensures a greater element of the cost is recovered directly from the service users where this approach is appropriate.</p>	Director of Finance & Business Improvement
Risk Management	<p>The budget agreed will form part of the medium term financial strategy for 2017/18. The major risk is that the proposed increases do not deliver the income that is reflected in the budget once it is approved. If the income does not reach the levels expected within the budget, the Committee will have to take corrective action to manage the shortfall.</p> <p>This risk is faced every year and, where the income generated is not sufficient to reach the budget, corrective action is taken by service managers. In such cases the quarterly budget monitoring report will highlight any significant issues to the Committee. In addition the constitution requires that any significant variances from income targets are reported to the Policy & Resources Committee along with proposed actions to resolve the budget pressure created.</p>	Director of Finance & Business Improvement
Financial	<p>The medium term financial strategy impacts upon all activities of the Council. The future availability of resources to address specific issues is planned through this process.</p> <p>Appendix A details the anticipated financial impact of the proposed changes.</p>	Director of Finance & Business Improvement
Staffing	No specific issues have been identified.	Director of Finance & Business Improvement
Legal	Fees and charges are either set by statute and therefore the Council has no discretion to set them. The fees and	Interim Head of the Legal Partnership

	charges in this report are non statutory and therefore set at the Committee's discretion. In considering appropriate levels of fees, the Committee must have regard to the fact that, where a customer defaults on payment, the fee or charge for a service must be defensible. The adoption of a policy on fees and charges and adherence to that policy provides appropriate evidence that the fees have been considered, are reasonable and can be defended in any action for non payment.	
Equality Impact Needs Assessment	The objective of the review of fees and charges including a focus on the factors required by the corporate policy minimises the opportunity for unintended disadvantage to be created.	Director of Finance & Business Improvement
Environmental/Sustainable Development	No specific issues identified	Director of Finance & Business Improvement
Community Safety	No specific issues identified	Director of Finance & Business Improvement
Human Rights Act	No specific issues identified	Director of Finance & Business Improvement
Procurement	No specific issues identified	Director of Finance & Business Improvement
Asset Management	No specific issues identified	Director of Finance & Business Improvement

8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- **Appendix A:** Proposed level of fees and charges for 2017/18 (Heritage, Culture & Leisure Committee).

9. BACKGROUND PAPERS

None