



CABINET

Tuesday 7 January 2020

FEES AND CHARGES FOR 2020/21

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. 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 1st April 2020

Is the report Open or Exempt?	Open
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Wards Affected:	All wards in East Suffolk
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Cabinet Member:	Councillor Steve Gallant Leader of the Council and Cabinet Member with responsibility for Resources Councillor Maurice Cook Assistant Cabinet Member for Resources
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Supporting Officer:	<p>Simon Taylor Chief Finance Officer and Section 151 Officer 01394 444570 simon.taylor@eastsoffolk.gov.uk</p> <p>Lorraine Rogers Finance Manager and Deputy Section 151 Officer 01502 523667 lorraine.rogers@eastsoffolk.gov.uk</p>
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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 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 2020/21 by East Suffolk Council. These are shown in Appendix A.
- 1.8 Generally any increase in fees and charges will take effect from 1st April 2020. 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 2020/21 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 (2.9%, June 2019), subject to rounding.
- 2.3 The proposed charges for Car Parking contained in Appendix A are subject to approval by the Cabinet of the report on Parking Services considered earlier on this agenda.
- 2.4 Discretionary Planning charges, such as Pre Application Planning Advice, are currently being reviewed on a county-wide basis, and no changes to these are proposed at this stage. Proposals for these charges will be brought forward at a later date.
- 2.5 As noted earlier in this report, some statutory fees are set by Government statute and councils usually have no control over service pricing. In some cases, such as licences, the charges have been prescribed in the original legislation and have not been increased for a number of years.
- 2.6 Local Authority Pollution Prevention and Control (LAPPC) fees are set nationally by Central Government and there is no discretion to vary these. The fee period for these is April 2020 to March 2021, and the Government is expected to notify these fees in April. The Schedule of Fees and Charges on the Council website will be updated when this information, and other outstanding fees and charges awaited from Central Government, are available.
- 2.7 Planning application fees are set by the Government under Town and Country Planning Regulations and were last increased in January 2018.

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

- 3.1 Income generated from fees and charges contributes 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 The policy option of not reviewing Fees and Charges for 2020/21 was rejected in order to meet the East Suffolk strategic objectives, the principles of the MTFS, and the Council's Policy on Fees and Charges.

8 REASON FOR RECOMMENDATION

- 8.1 To set the Council's fees and charges from 1st April 2020.

RECOMMENDATIONS

1. That the Discretionary Fees and Charges set out in Appendix A be approved for implementation from 1st April 2020.
2. That Cabinet notes the level of the fees and charges set by statute and the timing of any increase in these as set out in Appendix B.

APPENDICES

Appendix A	Proposed schedule of Discretionary Fees and Charges from 1 st April 2020
Appendix B	Schedule of Statutory Fees and Charges from 1 st April 2020

BACKGROUND PAPERS

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

Date	Type	Available From
Various dates	Equality Impact Assessments	Service Teams
Various dates	Working papers	Finance Team / Service Teams