



## CABINET

Tuesday 5 January 2021

### FEES AND CHARGES FOR 2021/22

#### 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 Strategic Plan and relevant Government legislation.
4. Cabinet is asked to consider and approve the schedule of Discretionary Fees and Charges for 2021/22 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 discretionary fees is 1 April 2021, unless otherwise stated.

Is the report Open or Exempt?	Open
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<b>Wards Affected:</b>	All wards in East Suffolk
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<b>Cabinet Member:</b>	Councillor Maurice Cook Cabinet Member with responsibility for Resources
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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 service, 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.

## 2 KEY POINTS

- 2.1 Fees and charges income is a vital source of income to the Council, in the region of £13 million per annum to the General Fund (excluding the Port Health Account).
- 2.2 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".
- 2.3 Fees and charges can be categorised into two groups:
- discretionary fees and charges for approval by Cabinet; and
  - statutory fees and charges that have to be set in accordance with legislation and Government regulations.
- 2.4 Generally, any increase in fees and charges at East Suffolk Council will take effect from 1 April. However, if the fees and charges are set by statute these will vary per the date set by Government regulation.

### **Discretionary Fees and Charges**

- 2.5 The proposed discretionary fees and charges for 2021/22 as set out in **Appendix A**, 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.
- Other discretionary fees and charges which do not fall into any of the above, are increased by the Retail Prices Index (RPI) as at June. However, for June 2020 the RPI was much lower compared to last year, 1.1% compared to 2.9%. It was therefore considered that a maximum increase of 2.9%, subject to rounding, was a reasonable basis for fee increases not within the above categories.

2.6 Specific reference to some sections of the discretionary fees & charges (**Appendix A**) is made in paragraphs 2.7 to 2.10 below.

2.7 **Parking Services (Appendix A, Section 3.1)** - The East Suffolk Council Off-Street Parking Places Order 2020 (the Order) was sealed by the Council on 20 August 2020 and came into force on 21 August 2020. Therefore, no further review is proposed to the parking fees at this time.

2.8 **Beach Huts & Chalets (Appendix A, Section 3.8)** – A 2.75% increase has been agreed with the Beach Huts Association. The exception is Cliff House Chalets (6-17) showing a proposed increase of 19.38%, (£222.28). These Chalets were former Band C due to historical reasons with no electricity which has now changed. These will be increased over three years to bring into line with Band B, rather than a one off increase.

2.9 **Cemeteries (Appendix A, Section 3.10)** – Proposed charges for Interment and Exclusive Right of Burial are proposing an increase of £100 to £200 for cemeteries in the north of the district. This is to commence alignment of these charges relating to the predecessor Councils.

2.10 **Pre-Application Planning Advice (Appendix A, Section 6.2)** - These fees are currently being reviewed and will be considered by the January 2021 Strategic Planning Committee.

### **Statutory Fees and Charges**

2.11 The statutory fees for noting are set out in **Appendix B**. Where a due date for updating statutory fees is in place, this information is provided in the relevant section of the appendix. The schedule of fees and charges on the Council's website will be updated when this information is made available. For some statutory fees there are no set review dates. For example, planning application fees (Appendix B, Section 3.5) are set by

Government under the Town and Country Planning Regulations 2012 and were last increased in January 2018.

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

- 3.1 By ensuring cost recovery and introducing new fees and charges where possible, the Council is taking opportunities to generated and collect income to boost the Council's financial sustainability, a priority under the strategic theme of Remaining Financially Sustainable.

### **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 our 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 Where applicable Equality Impact Assessments have been prepared by the service area when considering a proposal for setting a revised/new fee or charge for 2021/22.

### **6 CONSULTATION**

- 6.1 The fee and charges proposals for 2021/22 have been made by service areas and Heads of Service.

### **7 OTHER OPTIONS CONSIDERED**

- 7.1 The policy option of not reviewing fees and charges for 2021/22 was rejected 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 discretionary fees and charges from 1 April 2021.

#### **RECOMMENDATIONS**

1. That the discretionary fees and charges set out in **Appendix A** be approved for implementation from 1 April 2021.
2. That the fees and charges set by statute and the timing of any increase in these as set out in **Appendix B** be noted.

<b>APPENDICES</b>	
<b>Appendix A</b>	Schedule of Discretionary Fees and Charges from 1 April 2021
<b>Appendix B</b>	Schedule of Statutory Fees and Charges from 1 April 2021

<b>BACKGROUND PAPERS</b>		
<p>Please note that copies of background papers have not been published on the Council's website <a href="http://www.eastsuffolk.gov.uk">www.eastsuffolk.gov.uk</a> but copies of the background papers listed below are available for public inspection free of charge by contacting the relevant Council Department.</p>		
<b>Date</b>	<b>Type</b>	<b>Available From</b>
Various dates	Equality Impact Assessments	Service Teams
Various dates	Working papers	Finance Team / Service Teams