

North Somerset Council

Report to the Executive

Date of Meeting: 2 February 2022

Subject of Report: 2022/23 Fees and Charges

Town or Parish: All

Officer/Member Presenting: Ashley Cartman, Executive Member for Finance

Key Decision: YES

Reason: The proposed changes could affect communities living or working in an area comprising two or more wards in the area of the Local Authority, should they choose to use the services.

Recommendations

To approve the changes to fees and charges as detailed in section 3.

1. Summary of Report

In accordance with the Council's constitution, this report seeks approval for any proposed increases to fees and charges that are in excess of 10% or are estimated to generate additional annual revenue income of more than £300,000.

Changes to fees and charges outside these parameters are considered by individual Directors and Executive Members.

2. Policy

Fees and charges represent an important source of income, providing funding to assist in achieving the Council's objectives. Some of our fees and charges are effectively set by legislation, but many are locally determined.

Income derived from charging is used to offset the costs of providing the service being charged for, including support service costs. In recommending an appropriate level of fees and charges, managers also consider their client groups and corporate objectives.

The key principals and guidance in relation to the setting of fees and charges, approved by the Executive in February 2016 are as follows:

Key Principles

Rationale for charging	<ul style="list-style-type: none"> • Charging should be used to increase efficiency in allocating public services, whilst also promoting fairness, encouraging responsible behaviour and enabling and protecting other services.
Ability to charge	<ul style="list-style-type: none"> • Charging is possible where: <ul style="list-style-type: none"> ○ there is a legal power (or lack of a legal barrier); ○ a charging scheme is cost-effective to operate; and ○ it is feasible to exclude non-payers from using services.
Service cost recovery	<ul style="list-style-type: none"> • The total cost of a service (defined as the level of activity at which a charge is made) should include all expenditure required to deliver the service, including all central overheads. There should be a single method for calculating total cost across the Council. • The Council will seek to achieve full cost recovery where appropriate unless there are legal, strategic or contractual reasons for not doing so whilst having regard to current market value and benchmarking. The Council will consider a phased introduction of these fees where there is a legitimate business case. • The full range of pricing structures should be considered, including use of differential pricing. • The impact of charges on service and non-service users' needs to be fully understood.
Subsidies and concessions	<ul style="list-style-type: none"> • Services should only be subsidised if they promote priority objectives or outcomes • Decisions about subsidisation should be made in the full knowledge of the potential income forgone / costs not recovered • Concession schemes should only be granted if they <ul style="list-style-type: none"> ○ promote equity and increase access to services ○ are targeted at specific individuals, groups and/or households.
Income collection and debt management	<ul style="list-style-type: none"> • Cost effective and efficient income collection channels should be in place, involving payment in advance or at point of sale wherever possible.
Income management	<ul style="list-style-type: none"> • There should be a corporate approach to income generation and management, including: <ul style="list-style-type: none"> ○ Consistency of policy and practice across all services and trading units. ○ Specific responsibilities for income generation allocated to individuals at all levels, including named officers for each individual charge. ○ An annual planning and review cycle for income generation and service cost recovery ○ A business case approach to developing and implementing new proposals

Setting and reviewing charges

- Raising revenue from charges for services is an important element in the overall financing of council services and activities and helps to deliver service and strategic objectives.
- Consideration is therefore given, on a regular basis, to the scope for raising revenue through charges for services and to reviewing the appropriateness and adequacy of the levels of charges being proposed or in force.
- Services are generally given an increase in their income targets each year in accordance with agreed budget principles. This will be achieved through a combination of increases to fees and charges, increased use, and through rental and sales income where appropriate. Where information is available, changes to fees and charges will take account of changing circumstances and patterns of service use as well as known and predicted changes to service costs.
- There is a general policy presumption that the levels of fees and charges should rise, each year, in line with the rate of inflation. Accordingly, the charges proposed in each service area should be sufficient to meet the additional fees and charges income reflected in the final draft budget, which is detailed in an annual report to the Executive.
- The following represents the range of factors, which service managers need to consider when setting fees and charges: -
 - Charges determined by primary or secondary legislation
 - Service costs, including inflation
 - Service supply and demand
 - Market conditions
 - Benchmarking with other authorities and other providers
 - Affordability

At its meeting on 10 May 2016, the Council approved the following changes to Financial Regulations:

Statutory Fees and Charges

Where the level of fees and charges are regulated by primary and secondary legislation (e.g. planning applications), no additional approval is required.

Local Fees and Charges

Changes to charges and proposed new charges should take account of the Council's income principles and guidance for determining fees and charges. The following limits apply:

Decision maker	Estimated additional / reduced income (per annum)		Increase / decrease in charge
Director	Up to £100,000	OR	Up to and including 5%
Executive Member	Up to £300,000	OR	Over 5% and up to 10%
Executive	£300,000 or over	OR	Over 10%

Exceptions

The relevant Director(s) shall agree, on an appropriate ad-hoc basis, fees, charges, tariffs or other means of setting prices where the nature of the business is such that a flexible pricing policy is required. The areas of such flexibility are to be agreed with the relevant Executive Member.

All changes to car parking charges shall be subject to approval by the Executive.

3. Details

A full list of the Place directorate proposed revised charges that fall within the approval limits of the Executive described above, are:

Service	Fees & Charges Heading	Description	2021/22 existing charge	2022/23 proposed charge
Seafront & Events	Activities	Fee for power supply	£30.00	£35.00
Seafront & Events	Promotions on NSC Land	Fee for power supply	£30.00	£35.00
Seafront & Events	Events on NSC Land	Fee for power supply	£30.00	£35.00
Seafront & Events	Events on NSC Land	Application Fee – Small Event	£30.00	£35.00
Seafront & Events	Events on NSC Land	Application Fee – Medium Event	£50.00	£60.00
Seafront & Events	Events on NSC Land	Application Fee – Major Event	£100.00	£150.00
Highways & Transport	Fleet	Electric vehicle charging – rapid charge	£0.25	£0.29
Building Control	Building Regulation Fees	All other work (full plans and building notice) – Estimated cost of works £0-£1000	£128.00	£199.00
Building Control	Building Regulation Fees	All other work (full plans and building notice) – Estimated cost of works £1001-£2000	£193.00	£230.00
Building Control	Building Regulation Fees	Regularisation Fees – Estimated cost of works £0-£1000	£149.00	£231.00
Building Control	Building Regulation Fees	Regularisation Fees – Estimated cost of works £1001-£2000	£225.00	£270.00

Notes to accompany the changes:

- The fee increase proposed for power supply for activities, promotions and events is due to the rise in energy costs expected in 2022/23.
- The proposed fee for events applications is based on an increase in administration costs following the implementation of a new booking system.
- There has been a national price increase for electric vehicle charging which has been reflected in the proposed charge above.
- The proposed fees for building control have been calculated based on current cost of providing the service, market comparisons and taking into account the preparation required Building safety Act.

4. Consultation

The changes are in accordance with the Council's policy guidance and principles and, as such, no consultation has been undertaken. The revised fees and charges will be published on the Council's website.

5. Financial Implications

In general terms, the 2022/23 budget setting process added 1.25% to income budgets, although in some areas, specific additional income targets are included. The fees set out in this report are designed to ensure that these budget targets are achievable.

6. Legal Powers and Implications

Trading and charging for services have been a feature of local government for a considerable time. Specific powers to charge for services are contained in a variety of local government statutes. The Local Authorities (Goods and Services) Act 1970, the Local Government Act 2003 and the Localism Act 2011 empower councils to charge for discretionary services on a cost recovery basis.

7. Climate Change and Environmental Implications

No direct implications identified.

8. Risk Management

In some cases, increases in fees and charged can be a disincentive to the take up services. No material risks have been identified in this respect.

9. Equality Implications

The changes are in accordance with the Council's policy guidance and principles. No significant negative equality implications have been identified.

10. Corporate Implications

None, other than those already identified.

11. Options Considered

A variety of options will have been considered by service managers, but the changes proposed here reflect a balance of factors required to be considered in reviewing prices, as described in section 2.

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Background Papers:

Report to Executive 2 February 2016 – Fees and Charges Policy
<http://apps.n-somerset.gov.uk/cairo/docs/doc27177.pdf>