

**REPORT TO:** Executive Board

**DATE:** 10 March 2016

**REPORTING OFFICER:** Strategic Director, Community and Resources

**PORTFOLIO:** Resources

**SUBJECT:** Fees & Charges Review Topic Group

**WARDS:** All

## **1.0 PURPOSE OF REPORT**

1.1 To note the work of the Fees and Charges Topic Group, the outcomes of which have been incorporated within the Council's proposed fees and charges for 2016/17, which will be considered elsewhere on this agenda.

**2.0 RECOMMENDATION: That the work of the Fees and Charges Topic Group as set out in the Appendix, the outcomes of which have been incorporated within the Council's proposed fees and charges for 2016/17, be noted.**

## **3.0 SUPPORTING INFORMATION**

### **Background**

3.1 The Council continues to face significant challenges in delivering a balanced budget, given the continuing reduction in Government grant funding. A piece of research work was considered by the Budget Working Group during 2014/15, which benchmarked Halton with comparator Councils, in relation to the income it was currently generating from fees and charges.

3.2 That research revealed that in comparison with fifteen similar councils, Halton was second from the bottom in relation to the amount of money it was generating in relation to the size of its overall budget. There could be many explanations for the position and this is a particularly complicated area given the number of individual fees and charges involved.

3.3 Whilst the potential impact upon the Borough's residents of levying fees and charges is of particular concern for the Council, the financial position in which the Council finds itself as a result of Government grant reductions, provides the Council with little choice except to seek additional income in order to support the continued delivery of essential public services.

- 3.4 A Topic Group was therefore established under the auspices of the Corporate Policy and Performance Board, with cross-policy and performance board (PPB) representation given that each PPB has a clear interest in this topic.
- 3.5 Given the resources and timescales available, it was agreed that a targeted approach would be required to the review of fees and charges, focusing upon those Department's which generate the most in financial terms.
- 3.6 A series of meetings of the Topic Group were held over the past year, to consider each Department's fees and charges in terms of the following aspects;
- (a) The bases and rationale for existing charges;
  - (b) The level of cost recovery involved with delivery of services;
  - (c) How Halton's charges compare with those of neighbouring or comparator councils;
  - (d) The scope for increasing charges and the potential impact of doing so upon service users;
  - (e) Any statutory or other restrictions upon the levels of charges which may be levied;
  - (f) The scope to charge for services where no charge is currently made, the current rationale behind not charging and the potential impact of doing so upon service users;
  - (g) The total additional income which might be generated from increasing charges or charging for the first time.
- 3.7 In light of the financial challenges facing the Council, the Topic Group undertook an in-depth and challenging review of existing and potential areas for charging. Every area of actual income generated during 2014/15, was used as the basis for the Topic Group's work.
- 3.8 However, the Topic Group were mindful of the potential impact upon residents and service users of new or increased charges, especially given the Borough's economic position and demographic profile. The potential impact upon demand for services and the availability of competition in the market were also taken into account. As a result, the combination of all of these factors places considerable constraints upon the scope to introduce new or increased charges in Halton, whereas they may be considered more acceptable in other more affluent Boroughs.
- 3.9 The Topic Group identified that the majority of opportunities for increasing income, especially where significant additional income might be generated, have already been explored by the relevant Service Managers. The conclusion was drawn that whilst there may be scope to increase fees and charges in certain areas and to introduce new and innovative charges, the amount of additional income generated will be relatively small and will not on its own solve the Council's significant financial challenges.

3.10 However, a number of proposed changes to fees and charges were considered by the Topic Group for implementation from 1<sup>st</sup> April 2016, in order to support development of the Council's 2016/17 budget. These included both increasing existing charges and implementing new charges. These proposals have been incorporated within the Council's proposed fees and charges for 2016/17 to be considered elsewhere on this Agenda.

3.11 The Appendix presents the final report of the Topic Group's work received by Corporate Policy and Performance Board on 5<sup>th</sup> January 2016.

#### **4.0 POLICY IMPLICATIONS**

4.1 Existing charging policies of the Council may well be challenged by the Topic Group's work.

#### **5.0 FINANCIAL IMPLICATIONS**

5.1 Opportunities to increase the Council's income will assist the Council in delivering a balanced budget for 2016/17 whilst protecting essential services.

#### **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

6.1 Increased income will assist the Council in delivering all of its priorities.

#### **7.0 RISK ANALYSIS**

7.1 There are risks associated with either increasing or introducing new fees and charges. The Topic Group considered issues such as the ability to pay and the costs of collection, throughout their review of fees and charges.

#### **8.0 EQUALITY AND DIVERSITY ISSUES**

8.1 An equality impact assessment will be undertaken where considered necessary for any particular change in charging policy.

#### **9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

9.1 There are none under the meaning of the Act.

**REPORT TO:** Corporate Policy and Performance Board

**DATE:** 5 January 2016

**REPORTING OFFICER:** Strategic Director, Community and Resources

**PORTFOLIO:** Resources

**SUBJECT:** Fees & Charges Review Topic Group

**WARDS:** All

## **1.0 PURPOSE OF REPORT**

1.1 To present the work of the Fees and Charges Topic Group and make recommendations to Executive Board.

## **2.0 RECOMMENDATION: That;**

- 1) The work of the Fees and Charges Topic Group as set out in the report and appendices, be noted;**
- 2) The Executive Board be asked consider the work of the Fees and Charges Topic Group as set out in the report and appendices;**
- 3) The Executive Board be asked to note the outcomes of the review as set out in Appendix 2, which will, where appropriate, be incorporated within the Council's proposed fees and charges for 2016/17, to be considered by Executive Board in March 2016, to support delivery of the Council's 2016/17 budget.**

## **3.0 SUPPORTING INFORMATION**

### **Background**

3.1 The Council continues to face significant challenges in delivering a balanced budget, given the continuing reduction in Government grant funding. A piece of research work was considered by the Budget Working Group during 2014/15, which benchmarked Halton with comparator Councils, in relation to the income it was currently generating from fees and charges.

3.2 That research revealed that in comparison with fifteen similar councils, Halton was second from the bottom in relation to the amount of money it was generating in relation to the size of its overall budget. There could be many

explanations for the position and this is a particularly complicated area given the number of individual fees and charges involved.

- 3.3 Whilst the potential impact upon the Borough's residents of levying fees and charges is of particular concern for the Council, the financial position in which the Council finds itself as a result of Government grant reductions, provides the Council with little choice except to seek additional income in order to support the continued delivery of essential public services.
- 3.4 It was therefore agreed to establish a Topic Group under the auspices of this Board, with cross-policy and performance board (PPB) representation given that each PPB has a clear interest in this topic.
- 3.1 Terms of reference were established for the Topic Group which are presented in Appendix 1.
- 3.2 The Council delivers approximately seventy different service areas for which it charges. Within each service area there are a number of individual charges set for particular services. Overall therefore, the Council has hundreds of individual charges for services.
- 3.3 Given the resources and timescales available, it was agreed that a targeted approach would be required to the review of fees and charges. This approach would focus where possible upon those fees and charges which may potentially generate income in excess of approximately £100,000 per annum for the Council.
- 3.4 Analysis was undertaken of all fees and charges income generated during 2014/15 by each Department. Those areas generating income above the £100,000 threshold were then identified, to provide the focus for the Topic Group's work.
- 3.5 The basis for each of the fees and charges, as approved by Executive Board for 2015/16, was also considered by the Topic Group.
- 3.6 In reviewing each Department's fees and charges the Topic Group considered a number of aspects, including the following;
  - (h) The bases and rationale for existing charges;
  - (i) The level of cost recovery involved with delivery of services;
  - (j) How Halton's charges compare with those of neighbouring or comparator councils;
  - (k) The scope for increasing charges and the potential impact of doing so upon service users;
  - (l) Any statutory or other restrictions upon the levels of charges which may be levied;

- (m) The scope to charge for services where no charge is currently made, the current rationale behind not charging and the potential impact of doing so upon service users;
- (n) The total additional income which might be generated from increasing charges or charging for the first time.

3.7 A series of meetings of the Topic Group have been held during the past year, with each meeting considering one or more Departments' fees and charges, as listed below. The Topic Group was supported by the relevant Operational Director, Divisional Managers and other officers in each case, to assist Members with reviewing each Department's fees and charges.

Community and Environment Department  
Policy, Planning and Transportation Department  
Prevention and Assessment Department  
Economy, Enterprise and Property Department  
Public Protection Department  
Legal and Democratic Services Department

3.8 The background to each Department's fees and charges was explored by the Topic Group and the opportunities for increasing existing charges or levying new charges were considered in depth. Particular reference was made to comparative data relating to neighbouring and other comparator councils, the costs of delivering services and the potential impact upon the Borough's residents.

3.9 A number of proposed changes to fees and charges were considered by the Topic Group for implementation from 1<sup>st</sup> April 2016, in order to support development of the Council's 2016/17 budget. These included both increasing existing charges and implementing new charges, which it was agreed should be incorporated within the fees and charges to be recommended to Executive Board for 2016/17.

3.10 In addition, the Topic Group highlighted a number of areas of fees and charges to be explored further by officers. This will be undertaken by reference to amongst other things; neighbouring councils' charges, private sector competition, the cost of delivering services, other market factors and the potential impact upon residents.

3.11 Appendix 2 details the outcomes of the Topic Group's work to review fees and charges across the Council. The changes suggested by the Topic Group will where appropriate be incorporated within the Council's proposed fees and charges for 2016/17 to be considered by Executive Board in March 2016, to support delivery of the Council's 2016/17 budget.

#### **4.0 POLICY IMPLICATIONS**

- 4.1 Existing charging policies of the Council may well be challenged by this piece of work. However, any changes in policy would require the formal approval of the Executive Board.

#### **5.0 FINANCIAL IMPLICATIONS**

- 5.1 Opportunities to increase the Council's income will assist the Council in delivering a balanced budget for 2016/17 whilst protecting essential services.

#### **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

- 6.1 Increased income will assist the Council in delivering all of its priorities.

#### **7.0 RISK ANALYSIS**

- 7.1 There are risks associated with either increasing or introducing new fees and charges. The Topic Group considered issues such as the ability to pay and the costs of collection, throughout their review of fees and charges.

#### **8.0 EQUALITY AND DIVERSITY ISSUES**

- 8.1 An equality impact assessment will be undertaken where considered necessary for any particular change in charging policy.

#### **9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

- 9.1 There are none under the meaning of the Act.

## **Fees and Charges Topic Group - Terms of Reference**

### **1.0 Membership**

- 1.1 Membership of the Topic Group will be drawn from each Policy and Performance Board and the Development Control and Regulatory Committees.
- 1.2 Each Board or Committee will nominate a Member to sit on the Topic Group. All Members of the Corporate Policy & Performance Board will be invited to attend the Topic Group.
- 1.3 The Topic Group will be chaired by the Chair of the Corporate Policy & Performance Board, given that the final report and recommendations will come back to this Board.

### **2.0 Scope**

- 2.1 The Topic Group will review fees and charges levied across all Council Services. Fees and charges in this context essentially cover all services for which the Council charges, over and above those which are funded by Government grant and Council Tax.
- 2.2 Existing fees and charges will be reviewed. In addition, those areas where fees and charges are not currently levied (but could be), will also be considered.
- 2.3 The Review will not include charges for the provision of services to other councils or organisations, which are delivered jointly, in partnership, or as part of a shared service arrangement.

### **3.0 Methodology**

- 3.1 The Council currently charges for a large number of the services which it provides. The Topic Group will therefore agree a methodology for approaching this task, which will enable it manage the scale of information involved and to focus upon a number of key areas including the following;
- 3.2
  - Halton's position with regard to comparator benchmarking analysis
  - Prioritising which fees and charges to investigate further
  - Considering the scope to levy new charges
  - Reviewing the scope to increase existing charges
  - Considering the impact upon individuals and businesses of any recommendations

### **4.0 Timescale and Reporting**

- 4.1 The Topic Group's recommendations will support development of the Council's 2016/17 budget.
- 4.2 Recommendations will be reported to the Corporate Policy and Performance Board for consideration.



**Outcomes of the Review Undertaken by the Fees and Charges Topic Group**

**Community Centres**

1. Further scope to be investigated to expand hiring of Community Centres.
2. The potential competition from Schools was noted.
3. Current charges are considered competitive and there has been a 37% increase in income generated by Community Centres in recent years.
4. Income does not yet fully recover costs, however, the net cost has reduced significantly in the past 4 years. For 2016/17 the scope to increase charges above inflation where possible will again be considered.
5. Consideration is being given to direct café provision.
6. Charging differential rates for residents and non-residents of the Borough, where feasible, was considered.

**Waste Management**

7. The successful introduction of charging for Green Waste was noted.
8. Consideration is being given to how the Green Waste Service might be extended to the remaining 25% of the Borough (where there are no wheeled bins) for next year.
9. Noted that Halton's Trade Waste charges are significantly higher than the private sector competitors, but despite this some businesses appear to like having the association with the Council.
10. The approach to dealing with shopping trolleys will be re-invigorated.
11. Opportunities will be explored for a pilot scheme to recycle food waste. This would be an invest to save proposal, as it would require initial investment but would deliver reduced landfill costs.
12. The approach to waste enforcement will be strengthened.

**Allotments, Cemeteries, Crematorium and Parks**

13. Noted that income from Allotment charges now covers the cost of delivering this service.
14. Charges for the Cemeteries continue to be raised in order to ensure costs are fully recovered.
15. Competition from Walton Lea is a significant risk for our Crematorium, therefore the decision has been taken not to have higher charges for non-residents in order to maximise our business.
16. It is considered that the hiring of Parks for events is at full capacity.

**Sports Pitches**

17. There is scope to increase charges further, but there may be an impact upon health and the finances of sports teams. However, all pitches are currently filled so there is high demand.

18. Consideration will be given to the transfer where feasible of management of pitches to clubs/associations via a lease, as has been done previously.
19. Noted that the cost per player for use of pitches is still relatively low.
20. It was agreed that further increases in charges to adult teams should be given further consideration.

### **The Brindley**

21. A booking fee for tickets at the Brindley has now been introduced to cover administrative costs.
22. Noted that the net cost of the Brindley has reduced significantly in the past 4 years, through driving down costs while looking to generate additional income.
23. A better balance has been achieved in terms of the usage of the Brindley in order to provide a more commercial approach.
24. Consideration will be given to extending the successful Café into the Art Space.
25. Consideration will be given to providing conference facilities.

### **Registration Services**

26. These services are delivered by the Council on behalf of the General Registration Office (GRO), so as a result most charges are set by the GRO.
27. Some councils are however charging for appointments to register marriages, therefore consideration will be given to this in Halton.
28. Consideration will be given to charging a fee for searches relating to replacement birth certificates, in addition to the statutory charge for the certificate.

### **Leisure Management Contract and Libraries Service**

29. Noted that work is underway to review the basis for the Leisure Management Contract which is currently delivered by an external provider.
30. A new Libraries Service structure has recently been implemented following the efficiency review.

### **School Meals, Civic Catering and Community Meals**

31. Noted that the School Meals Service has delivered a net surplus for 2014/15.
32. A 20p increase in School Meal charges was approved for 2015/16. Whilst now at the high end of councils.
33. Noted that the Café in Kingsway Learning Centre has been closed as it wasn't covering its costs.
34. Consideration will be given to extending the Café at the Brindley which is very popular and has potential to generate increased income if more customer seating were available.
35. The Community Meals Service has been taken back in-house as this has proved a more cost effective solution.
36. If the Community Meals Service ceased there would be resulting cost implications for Adult Social Care. Instead therefore, consideration is being

given to more efficient methods of service delivery in order to reduce costs and the potential to provide meals for care homes in order to generate additional income.

### **Select Security Stadium**

37. Noted the very competitive market which the Stadium operates within for social functions etc.
38. A long term arrangement is currently being finalised with Widnes Vikings regarding their use of the Stadium, which will generate a significant increase in rental income.
39. Community use of the ipitch is very buoyant and generating significant income along with the arrangements for use of the Stadium by both Liverpool Ladies FC and Everton Ladies FC.
40. The potential for holding music concerts in the Stadium is being considered, liaising with Conway Council who already hold such event and a Concert Promoter.
41. Smaller scale concerts are being arranged using the marquee within the West Stand.
42. Consideration is being given to charging for car parking at the Stadium and on Leigh Recreation during major events.

### **Traffic Management**

43. The scope to increase charges for road closure notices will be considered.
44. Charges for licences alfresco dining will be re-iterated to businesses as a requirement.
45. A scheme will be developed for permitting of Utility companies, as operated by neighbouring councils, which could generate significant income.

### **Logistics**

46. Noted that Halton Hopper tickets are very price sensitive. Any further increase might affect take-up.
47. External fuel sales are made from the Depot to partners and contractors, but these need to be kept in line with competitors and so there is little scope to increase.
48. Vehicle repairs similarly need to be competitive and therefore there is little scope to increase charges.
49. The possibility of advertising on Council vehicles will be re-considered.

### **Highway Maintenance**

50. The cost of vehicle crossings are currently recovered. The scope to increase charges will be considered although it is sensitive as if residents decide to merely cross the kerb it will result in damage.
51. Consideration will be given to increase Highway Act charges above inflation wherever considered possible.

### **Planning**

52. Noted that planning fees are regulated and set by Government.

53. Consideration will be given to increase pre-planning fees above inflation.
54. Building control services are subject to private sector competition and therefore price sensitive as we may lose market share. It was agreed not to increase these further.
55. Noted that a joint arrangement is being piloted with Knowsley to provide on-call cover.

### **Prevention and Assessment Department**

56. The scope to move towards full cost recovery from the Lifeline Service will be investigated further. Reference was made to comparative charges from neighbouring councils. Noted that each council provides different elements of service and Halton provides a very comprehensive Warden Service rather than merely referring calls to family members. Members thought it important to retain this element of the service.
57. The benefit of the Lifeline Service in terms of savings for the Health sector was highlighted. Discussions will be undertaken with Halton CCG regarding a contribution towards costs, given the financial benefits its use and extension would provide for the CCG.
58. A proposal is already being considered by the Budget Working Group in respect of Community Care, Direct Payments, Nursing and /residential fees. The assessment of these fees involves individuals' disposable income and utilises a percentage taper which is currently 70%. Consideration is being given to introducing a 100% taper.
59. Consideration will be given to charging service users for installation of key safes.
60. Consideration will be given to opportunities to rent out space at Oakmeadow.
61. Transport per journey charges are generally low. Most Service Users in this situation also receive mobility allowance. Members consider that in such instances Service Users should pay full cost. Comparators with other local authorities showed that Halton's charges were low.

### **Economy, Enterprise & Property Department**

62. The commercial expertise and knowledge within the Department is utilised to judge where rents etc. can be increased, without risking loss of business.
63. Noted that there is often also a community or social benefit to providing facilities such as the market, therefore a balance must be struck when levying charges to recover the Council's costs.
64. The cost benefit of continuing to operate or selling assets such as industrial estates was discussed.
65. Members emphasised that charges to Academies should be maximised wherever possible and the scope for selling services to Academies should be explored. The Government's approach is now clear to move all schools to Academy status within the life of this Parliament.

66. It was concluded that there is little scope to generate any additional income within the Department, over and above that which is already being achieved.

### **Legal and Democratic Services Department**

67. Charges for licences are largely set by statute and therefore there is little scope to generate additional income from increasing charges.
68. A recent court case suggests there may be scope to increase charges for land charges. We are working jointly with other councils and once the outcome is known will look to levy the maximum charge we are able.
69. Noted that in respect of taxi licences we can legally only recover our costs.
70. The need for certain street trading licences was considered.
71. It was concluded that there is little scope to generate any additional income over and above that which is already being achieved.

### **Public Protection Department**

72. The Department's fees and charges relate to Trading Standards, Environmental Health and the Health Improvement Team.
73. The Department has a good understanding of the commercial position and comparative councils' charges. Certain charges are also set by statute.
74. It was noted that charges should at least cover our costs. Pest control rates for schools were queried but it was clarified that these are hourly.
75. It was also noted that the only charges relating to Public Health are in relation to the Health Improvement Team.
76. It was concluded that there is little scope to generate any additional income over and above that which is already being achieved.