

**SUBJECT: REVIEW OF THE AUTHORITIES FEES & CHARGES PROPOSED FOR
INCLUSION WITHIN THE 2016-17 BUDGET**

DIRCTORATE: CHIEF EXECUTIVES' - FINANCE

MEETING: CABINET

DATE: 6th JANUARY 2016

DIVISION/WARDS AFFECTED: ALL

1 PURPOSE:

- 1.1 To review all fees and charges made for services across the Council and identify proposals for amending them in advance of the 2016/17 financial year.

2 RECOMMENDATION:

- 2.1 That the proposed fees and charges for 2016/17 identified for each type of chargeable service made, as outlined in Appendix 1, be adopted.
- 2.2 That the increase in charges takes effect at a date no later than 1st April 2016, with any pressures resulting from increases taking place after this date to be managed by Chief Officers within their respective directorate budget allocations.
- 2.3 That Chief Officers effectively manage the budget pressures highlighted by services not increasing charges in line with the 2.5% increase assumed in the 2016-20 MTFP. Consideration should also be given to the cost effectiveness and administrative costs that result from implementing small increases to existing charges.

3 BACKGROUND:

- 3.1 Annual report compiled to present the Fees & Charges that the Authority will levy for the financial year 2016/17 on the stakeholders of the services provided by the Authority.

4 KEY ISSUES:

- 4.1 This report seeks to bring all fees and charges together in one report for Member consideration instead of individual reports being presented for each service.

- 4.2 The fees and charges report 2016/17 is consistent with the final budget report that will be recommended to Council during the January cycle, and includes an assumed 2.5% increase in income in the base budget, together with revisions recommended by service managers to refine their income budgets as reflected by the forecasted income projections in the current 2015/16 financial year.
- 4.3 In addition to the annual review that is undertaken of fees and charges, as part of the savings mandate exercise, a review reflective of mandate 23 has been undertaken to identify the scope for increasing charges beyond the 2.5% MTFP assumption, or to introduce charges in services where they are currently not present or charged for.
- 4.4 A minority of charges are influenced by a national tariff or Government requirement which may not be known at this stage of budget preparation and some fees are restricted to cost recovery rather than income generation potential. So Appendix 1 also seeks to identify the anticipated shortfall in income generation from MTFP assumptions that will fall to service managers to absorb alongside the savings mandate agenda.
- 4.5 In the 2016/17 financial year, there is anticipated to be an increase in the external income budgets from £13.196 million to £13.526 million.
- 4.6 Regardless of the fees and charges proposed in this report for 2016/17 and as a result of the ongoing challenges faced by the Authority in setting its revenue budgets for the forward medium-term financial period, additional reports may be required that look to either further increase charges beyond the levels set within Appendix 1, or to implement charges that are not currently levied where the opportunity exists.

5 REASONS:

- 5.1 To identify the charges to be adopted for 2016/17 financial year.
- 5.2 To ensure that resultant pressures are also identified in order to allow them to be managed by Chief Officers within their respective directorate budgets.

- 5.3 To identify scope for increasing charges beyond the 2.5% increase modelled in the draft revenue budget proposals, or to consider charging where there is scope to charge for services for which there is currently no charging regime.

6 RESOURCE IMPLICATIONS:

- 6.1 Charges included in this report are consistent with final budget proposals being put before Council during the January cycle.
- 6.2 Some charges cannot be increased in line with the medium-term financial planning assumption of 2.5%, as a result of there being specific restrictions imposed on the level of charges. Some income budgets are also suffering strain during 2015/16 and it is anticipated that this pressure will carry into 2016/17. The above pressures and other smaller pressures, as outlined in appendix 1, will need to be managed within directorates' 2016/17 revenue budget proposals and as part of the ongoing budget setting process. Currently this pressure is forecast as £96,000 and predominantly affects Operations Directorate most notably, school meals, cap parks and passenger transport.
- 6.3 Any other budget pressures that may be generated as a result of fees and charges identified by the MTFP model (and subsequently being increased by 2.5% by the model) not being contained in appendix 1, possibly as a result of them not falling within a charging regime, will also need to be managed within directorates' 2016/17 revenue budget proposals.

7 FUTURE GENERATIONS CONSIDERATION:

- 7.1 An evaluation has been provided in Appendix 2 to consider the effect of fee increases on future generations and protected characteristics. The Council will provide specific services to individuals with protected characteristics e.g. age, disability etc. It is difficult to quantify the extent of impact without regard to individual circumstances, vulnerability and access to welfare and support payments, but there are anticipated to be affordability considerations for those individuals whose resources are deemed sufficient to pay for their own services.
- 7.2 The Council maintains a variety of means testing aspects in the provision of services to the more vulnerable. These mechanisms will continue.

7.3 It is inherently difficult to presume individuals will not have less disposable income if Councils fees and charges increase. However as Council tax receipts and revenue support grant is insufficient to fund the full extent of Council services, the provision of fees and charges helps sustain these services into the future for customers where the traditional alternative would be to withdraw services.

8 CONSULTEES:

8.1 Senior Leadership Team
All Cabinet Members
Head of Legal Services
Head of Finance

9 BACKGROUND PAPERS:

- Appendix 1 – Proposed Fees and Charges for 2016/17 budget
- Appendix 2 – Future Generations Assessment.

10 AUTHOR:

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