

NORTH YORKSHIRE COUNTY COUNCIL

EXECUTIVE

Date 8 November 2022

North Yorkshire Council Fees and Charges Policy

1.0 Purpose of Report

- 1.1 To approve the proposed Fees and Charges Policy for North Yorkshire Council and the approach to setting fees and charges for 23/24.

2.0 Background

- 2.1 As part of preparations for Local Government Re-organisation in North Yorkshire, the Finance work stream has engaged with services in order to establish an approach to fees and charges for 23/24 prior to vesting day.
- 2.2 Together, income from discretionary fees and charges is budgeted to total £113m in 22/23 and when compared to Council Tax, Business Rates and Government grant funding, it is a key source of funding for local services (approximately 11% of total income).
- 2.3 From financial management and service sustainability perspectives, maintaining and even growing this vital income stream is important in the context of the savings challenge facing the new council.

3.0 Fees and Charges Policy

- 3.1 The attached policy (at **Appendix A**) has been drafted following review of the various policies in place across the Councils in North Yorkshire. It seeks to bring together the best of the policies to achieve a workable, pragmatic approach for the new Council from 1 April 2023.
- 3.2 The policy aims to ensure a consistent and transparent approach to setting fees and charges for discretionary services; an approach which confirms full cost recovery as the Council's 'default' but enables both subsidised and 'cost-plus' charges where the Council's priorities, legal powers and wider policies deem appropriate.

4.0 Fees and Charges approach for 2023/24

- 4.1 Bringing 8 councils together into a single new organisation requires consideration of fees and charges and the potential for harmonising these across legacy areas.
- 4.2 Given the anticipated issues across many services in relation to historic costs and delivery methods, and critically the capacity to ensure safe and legal from 1 April 2023, wholesale harmonisation is not considered appropriate or necessary immediately. Instead, services have been asked to identify, by exception, where service delivery issues are such that harmonisation for 23/24 is the only credible option.
- 4.3 The following charges have been identified for harmonisation from Day 1:

- 1) Taxi licences
- 2) Court costs

- 4.4 Beyond 1 April 2023 as services begin to transform and review their service levels and operating models, a full review of fees and charges (where applicable), including consideration of harmonisation, should be part of this work.
- 4.5 For 2023/24 it is proposed that all existing fees and charges across all legacy council areas, unless specifically excepted, should be increased by an appropriate level of inflation. Given the current volatility in the wider economy average estimated pay award for 2023/24 is proposed - 6% is assumed.
- 4.6 Importantly all relevant income budgets for 2023/24 will be uplifted by the proposed 6% - should Directorates/workstreams decide not to increase some fees and charges then any resulting financial shortfalls will have to be bridged by other additional income sources or expenditure savings. The rationale for any such exceptional approach will have to be clearly explained as part of the budget process.

5.0 Harmonisation proposals for 1 April 2023

5.1 Taxi Licences

- On 1 April 2023 North Yorkshire Council will be the sole licensing authority. It is therefore important that one set of harmonised fees be established. The risk of not creating one set of fees is that applicants could apply to pay the lowest fee from the previous district councils' fee structures thus creating an imbalance on cost recovery and confusion for the trade.
- The relevant legislation provides that the licensing authority can recover a reasonable fee for the relevant licences. The fees must be set at a level which ensures that the Council does not make a profit and any deficit or surplus should be taken into consideration in subsequent fee reviews over a three year cycle.
- It is intended that a single taxi licensing policy will be adopted by the Executive to take effect on vesting date (subject to consultation). Taxi licensing fees must also be formally consulted upon before being adopted.
- It is proposed that the Members delegate the consideration of consultation responses and the decision on the final fees to the Section 151 Officer in consultation with the Executive Member for Open for Business in line with the assumptions above.

5.2 Court Fees

- Court Fees are based on full cost recovery and are required to be submitted to court when undertaking summons and liability orders for non payment of Council Tax and NNDR.
- It is expected that this harmonisation will be budget neutral and will include the proposed 6% inflation uplift above.

6.0 Financial Implications

- 6.1 Assessment of income budgets across all councils shows the following for broad service budgets and the application of the proposed inflationary uplifts:

Discretionary Income Budget Area	2021/2022 Actuals £000	2022/2023 Budget £000	2023/2024 6% Increase £000
Adult Social Care	26,879	22,345	1,341
Central Services to the Public	1,595	2,016	121
Children's and Education Services	2,099	2,874	172
Corporate and Democratic Core Costs	8,043	8,966	538
Cultural and Related Services	8,430	8,901	534
Environmental and Regulatory Services	28,815	27,190	1,631
General Fund/Council Fund Housing	1,001	798	48
Highways and Transport Services	21,684	28,500	1,710
Planning Services	10,402	11,733	704
Total	108,948	113,323	6,799

7.0 Legal Implications

- 7.1 The Fees and Charging Policy applies to services where there is a legal power to charge for the service, and discretionary services. Section 93 of the Local Government Act 2003 and Section 3 of the Localism Act 2011 gives local authorities power to charge for discretionary services. Discretionary services are those services that a local authority is not required to provide but may do so voluntarily.
- 7.2 The charging powers do not apply where there is a power to charge for a particular service elsewhere in other legislation, or where other legislation expressly excludes an authority from charging.
- 7.3 In exercising its charging powers a local authority is under a duty to ensure that taking one financial year with another the income from any charges for a service does not exceed the cost of providing the relevant service. Generally, the reinvestment of any income generated in excess of the cost of providing the service would not represent a surplus.
- 7.4 Taxi licensing fees are ordinarily a decision of Full Council¹ (usually delegated to a Licensing Committee), however, in accordance with the Local Government (Structural Changes) (Transitional Arrangements) (No.2) Regulations 2008/2867 and the North Yorkshire Structural Changes Order 2022 the Executive has power to undertake this function up until vesting date.

8.0 Equalities Implications

- 8.1 There are no equalities implications arising directly from this report. Specific decisions on individual fees and charges are for Directorate consideration. The inflationary uplift proposed supports delivery of the Council's medium term financial strategy and there is flexibility within the policy to provide for different approaches should these be deemed necessary.

9.0 Climate Change Implications

- 9.1 There are no climate change implications arising directly from this report. Specific decisions on individual fees and charges are for Directorate consideration, and equalities implications shall be a key consideration at that stage. The policy does however, enable fees and charges to be used support delivery of wider Council objectives and to influence customer behaviour, and such opportunities should be considered when fees and charges are reviewed.

¹ Reg. 2, Local Authorities (Functions and Responsibilities) (England) Regulations 2000

10.0 Recommendations

10.1 It is recommended that the Executive:

- i. Approve the Fees and Charges Policy set out at **Appendix A**;
- ii. Approve the proposed inflationary uplift of 6% for 2023/24 on relevant income budgets;
- iii. Delegate the consultation on taxi licensing fees, consideration of the consultation responses and final decision to adopt taxi licensing fees to the S151 Officer in consultation with the Executive Member for Open for Business.

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Date: 8 November 2022

Appendix A – Draft Fees & Charges Policy