

Open Report on behalf of Andy Gutherson, Executive Director – Place

Report to:	Councillor R G Davies, Executive Councillor for Highways, Transport and I.T.
Date:	Between 23 January 2020 and 30 January 2020
Subject:	Highway Fees and Charges Benchmarking Review
Decision Reference:	I019270
Key decision?	Yes

Summary:

This report considers the findings of the Benchmarking Review of the charges and fees applied by the Council for various services relating to the highway, carried out in September 2019 together with an analysis of the costs of officer time incurred by Lincolnshire County Council in the provision of the various services.

The previous benchmarking exercise took place over 10 years ago and almost all of Lincolnshire County Council charges have remained unchanged since then. The charges and fees often no longer cover the cost of officer time, materials, administration and implementation, placing a burden on the highway budget.

Therefore to ensure the Council covers its costs the charges have been reviewed and a series of increases are proposed. These increases are compared to our near neighbour's pricing to ensure the Council would be setting a fair pricing matrix. It is also intended to review the benchmarking exercise annually going forward and propose any changes, including price inflation, for consideration.

Recommendation(s):

That the Executive Councillor:

1. Approves the new charges and fees detailed in this Report to be applied from the 1st April 2020
2. Approves that the benchmarking exercise is refreshed annually with any proposed changes, including price inflation, submitted for consideration.

Alternatives Considered:

1. To not amend the charges and fees. This would place further strain on highway budgets.

Reasons for Recommendation:

As part of the management of the highway network, the Council provides a number of important services relating to works on the highway, many of which are discretionary, that is, we have the power but not the obligation or statutory, which we must deliver.

The Council provides some of these services for free or at a level of charging that fails to recover the full cost of service provision, placing a burden on the highway budget.

Therefore after carrying out a benchmarking review it is proposed that charges be implemented for services not currently charged for and increased for services currently charged. Charges should be reviewed every year to help contribute to a balanced highway budget. Price inflation will also be considered when reviewing fees and charges.

1. Background

The Council applies charges and fees to a number of highway related services that require consultation, coordination, planning and design advice as well as other administrative services to allow licences and traffic orders to be issued.

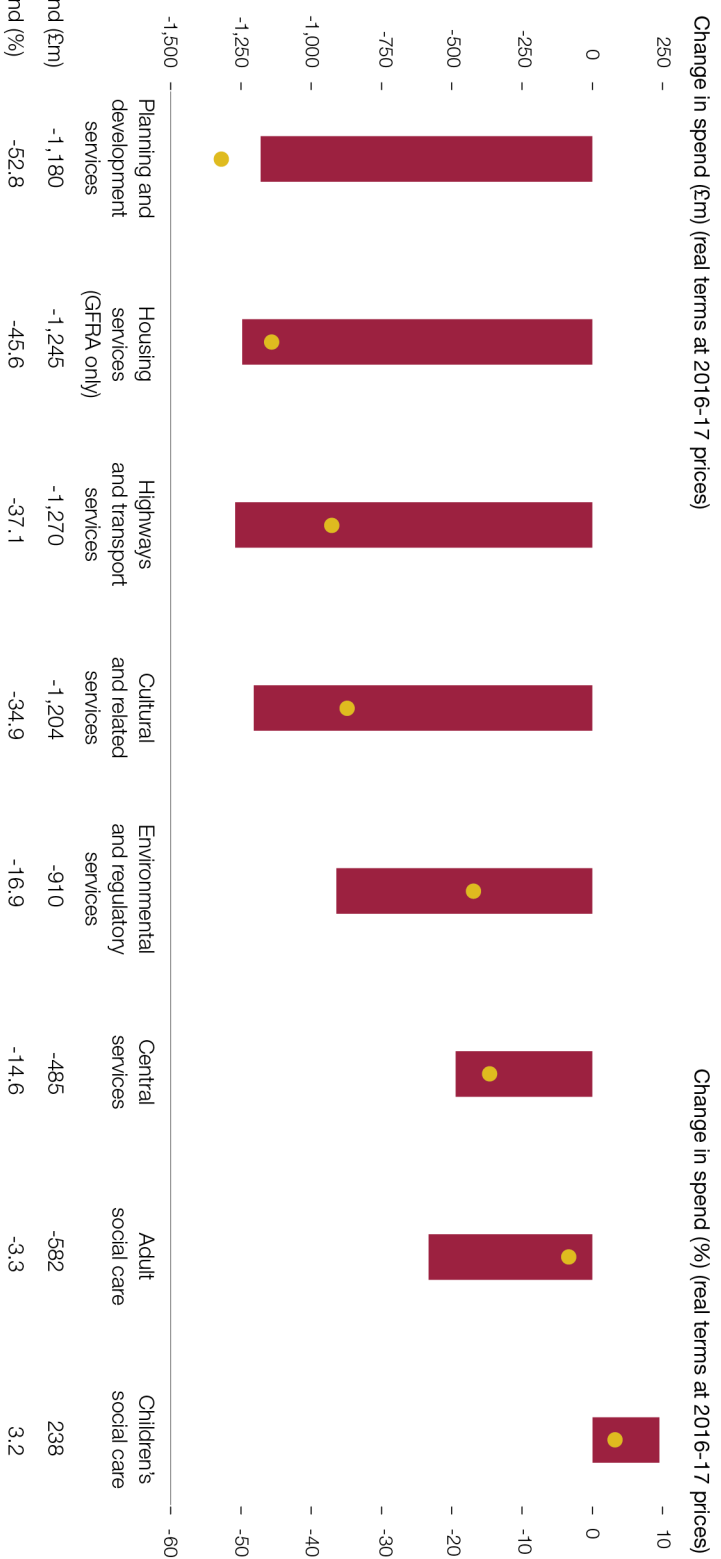
The services relate to highway compliance under the NRSWA 1991, land searches, parking waivers, traffic regulation orders and works carried out by the Council at the request of the public.

The pressure on highway budgets has been in place for a number of years and is unlikely to abate in the near term. The available spend across all local authorities has decreased with highways seeing a 37% decrease in real terms between 2010/11 to 2016/17:

Figure 7

Change in spend by service area, 2010-11 to 2016-17 – all local authorities in England

Spend on social care has been relatively protected, but several other service areas have seen large reductions since 2010-11



Notes

- 1 Data shown are net current expenditure. However, for adult social care we also include transfers from health care bodies. This includes the element of the Better Care Fund received and used by local authorities.
- 2 GFFRA is the General Fund Revenue Account. This provides revenue funding for the bulk of local authority services and is funded primarily by government grants, business rates and council tax. It is separate to the housing revenue account which is used to maintain local authority housing stock and is funded primarily through rental income.

Source: National Audit Office analysis of Ministry of Housing, Communities & Local Government data. See standalone methodology

Source: National Audit Office, Financial sustainability of local authorities 2018

It is unlikely that the reductions will be reversed in the future. In line with the Councils prudent management of its finances and the provision of services, especially those within the highway, a review of costs and pricings was undertaken.

A benchmarking review comparing the Council charges to other similar / near neighbour local authorities was completed in September 2019 and shows that many of the charges and fees applied by the Council lag those found elsewhere. The presently applied level of various charges has not been increased for at least 10 years and no longer represents a cost recovery position based on the current level of costs incurred.

Utilising the benchmarking review report (at Appendix A) a new pricing scheme has been drafted to allow for asset, resource and wage inflation over the past 10 years. The table below shows the service provided, the current charge or fee, the new recommended charge and the percentage change.

The variation in percentage increases for some charges and fees allows incremental rises to take place over the medium term and mitigate costs to customers.

Item	Charge	Number	Current Income £	Suggested rise %	New charge	Increase - Annual Income
Scaffold permit	£50.00	366	£18,300.00	50%	£75.00	£9,150.00
Skip Permit	£30.00	1037	£31,110.00	50%	£45.00	£15,555.00
Road closure over 5 days	£1,000.00	177	£177,000.00	20%	£1,200.00	£35,400.00
Road closure up to 5 days	£675.00	728	£491,400.00	20%	£810.00	£98,280.00
Emergency road closure	£300.00	475	£142,500.00	20%	£360.00	£28,500.00
Amended road closure	£330.00	1	£330.00	20%	£396.00	£66.00
Cancellation	£330.00	2	£660.00	20%	£396.00	£132.00
Extension	£330.00	7	£2,310.00	20%	£396.00	£462.00
Event	£100.00	6	£600.00	20%	£120.00	£120.00
S50	£300.00	188	£56,400.00	10%	£330.00	£5,640.00
S171	£77.50	199	£15,422.50	129%	£177.48	£19,895.03
S184	£0.00	350	£0.00	0%	£300.00	£105,000.00
Con 29 searches (avg price)	£10.00	10900	£109,000.00	10%	£11.00	£10,900.00
Café licences (various)	£300.00	40	£12,000.00	10%	£330.00	£1,200.00
Ext of Hwy Searches (avg price)	£40.00	1552	£62,080.00	10%	£44.00	£6,208.00
Bay suspensions	£0.00	62	£0.00	25%	£13.00	£806.00
Parking Waivers (flat rate £10)	£0.00	1743	£0.00	25%	£10.00	£17,430.00
			£1,119,112.50			£354,744.03

Charges can be made for discretionary services, where the council has the powers but not the obligation to deliver and for statutory services where charging regimes exist. The table below identifies the services and the powers under which charges can be made:

Task	Act	Section	Discretionary	Statutory	Recovering costs	Reinvestment to service	Notes	Other
							SI 1998 No. 948 Local Government, England & Wales The Local Authorities (Transport Charges) Regs 1998 - Schedule	
Scaffold permit	Highways Act 1980	169		X	Administration and officer expertise	No	Table 1 - 2	
Skip permit	Highways Act 1980	139	X		Administration and officer expertise	Yes	Table 1 - 1	
Road closure over 5 days	RTRA 1984	14		X	Administration and officer expertise	No	Table 2 - 3	
Road closure up to 5 days	RTRA 1984	14		X	Administration and officer expertise	No	Table 2 - 3	
Emergency road closure	RTRA 1984	14		X	Administration and officer expertise	No	Table 2 - 3	
Amended road closure	RTRA 1984	14		X	Administration and officer expertise	No	Table 2 - 3	
Road closure cancellation	RTRA 1984	14		X	Administration and officer expertise	No	Table 2 - 3	
Road closure extension	RTRA 1984	14		X	Administration and officer expertise	No	Table 2 - 3	
Event	RTRA 1984	16a		X	Administration and officer expertise	No	Table 2 - 5	
Install apparatus	NRSWA '91	50	X		Administration and officer expertise	Yes	NA	NRSWA '91 - section 96
Working in the road	Highways Act 1980	171		X	Administration and officer expertise	No	Table 1 - 3	
Small works (dropped kerb)	Highways Act 1980	184		X	Administration and officer expertise	No	Table 1 - 9	
Con 29 Searches	Local Government and Housing Act 1989	150	X		Administration and officer expertise	Yes	NA	SI 2008 No. 3248 Housing, England. The Local Authorities (England) (Charges for Propoerty Searches) Regulations 2008 - reg 8 and Environmental Information Regulation 2004 regulation 8
Extent of Highway search	Local Government and Housing Act 1989	150	X		Administration and officer expertise	Yes	NA	SI 2008 No. 3248 Housing, England. The Local Authorities (England) (Charges for Propoerty Searches) Regulations 2008 - reg 8 and Environmental Information Regulation 2004 regulation 8
Café licences	Highways Act 1980	115a	X		Administration and officer expertise	Yes	NA	
Parking bay suspensions	RTRA 1984	49(4)		X	Administration and officer expertise	No	Table 2 - 6	
Parking waiver / exemption	RTRA 1984	1,6,9 or 14	X		Administration and officer expertise	Yes	Table 2 - 3	

Costs charged for services should cover the recovery of expenditure and in the case of discretionary services income can be utilised for service investment to improve delivery. The following table shows a breakdown of costs and possible income from the new charges identified:

Scaffold permit	50.00	50%	1.97	35.78	£5		£75
Skip Permit	30.00	50%	1.00	35.78	£5	4.00	£45
Road closure over 5 days	1000.00	20%	10.00	47.16	£5	£723	£1,200
Road closure up to 5 days	675.00	20%	8.00	47.16	£5	£428	£810
Emergency road closure	300.00	20%	6.00	47.16	£5	£72	£360
Amended road closure	330.00	20%	7.00	47.16	£5	£61	£396
Cancellation	330.00	20%	7.00	47.16	£5	£61	£396
Extension	330.00	20%	7.00	47.16	£5	£61	£396
Event	100.00	20%	2.43	47.16	£5		£120
S50	300.00	10%	8.67	35.78	£20		£330
S171	77.50	129%	4.69	35.78	£10		£178
S184	0.00	0%	6.05	47.16	£15		£300
Con 29 searches (avg price)	10.00	10%	0.38	29.31	£0		£11
Café licences (various)							
up to 9 chairs	200.00	10%	6.00	35.78	£5		£220
10 to 25 chairs	250.00	10%	7.55	35.78	£5		£275
26 to 50 chairs	500.00	10%	15.10	35.78	£10		£550
51 chairs +	1000.00	10%	27.96	35.78	£100		£1,100
Ext of Hwy Searches (avg price)							
Plan	35.00	15%	1.34	29.31	£0	1.27	£40
Plan + Queries	45.00	15%	1.73	29.31	£0	1.01	£52
Bay suspensions	0.00	n/a	0.50	26.00	£0		£13
Parking Waivers (flat rate £10)	0.00	n/a	0.40	26.00	£0		£10

2. Legal Issues:

Equality Act 2010

Under section 149 of the Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:

- * Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act
- * Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- * Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation

Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:

- * Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic
- * Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it
- * Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding

Compliance with the duties in section 149 may involve treating some persons more favourably than others

The duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision making process

The increase of charges and fees does not impact upon the Council's responsibilities under the Disability Act 2010

Joint Strategic Needs Analysis (JSNA and the Joint Health and Wellbeing Strategy (JHWS)

The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health & Well Being Strategy (JHWS) in coming to a decision

The increase of charges and fees does not impact upon the Council's responsibilities under JSNA or JHWS

Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area

The increase of charges and fees does not impact adversely on crime and disorder

3. Conclusion

In 2010 the Local Government Efficiency Group recommended that "...unless otherwise justified, local authorities should be reimbursed for the economic cost of providing services for Government departments and other agencies and bodies."

The Council has to ensure that the services it provides are financially sustainable and capable of delivering the requirements made of it under legislation, including the Traffic Management Act and the New Roads and Street Works Act.

Therefore the increase of charges helps to secure service delivery and the on-going review of costs both locally and with our near neighbours will keep delivery at a financially sustainable level.

4. Legal Comments:

The Council has the power to recharge for the provision of the services detailed in this Report either by virtue of them being discretionary services or services for which a statutory charging regime exists.

The decision is consistent with the Policy Framework and within the remit of the Executive Councillor.

5. Resource Comments:

The current charges and activity volumes for services are held in aggregate rather than detailed within the Council's finance system but the reported baseline is consistent with that information. The proposed increased charges that have resulted from the benchmarking undertaken should enable the service to generate the level of income anticipated in the Council's 2020/21 revenue budget proposals. The increases and income levels will be monitored as part of routine budget management processes going forward.

6. Consultation

a) Has Local Member Been Consulted?

Yes

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

The report will be considered by the Highways and Transport Scrutiny Committee at its meeting on 20 January 2020. Any comments from the Committee will be presented to the Executive Councillor for Highways, Transport and IT prior to him taking a decision.

d) Have Risks and Impact Analysis been carried out?

Yes

e) Risks and Impact Analysis

The risks and impacts of charging for highways related services and the issuing of licences remain in line with the impacts relating to the overall service provided for the Lincolnshire Permitting Scheme and the streetworks elements therein.

7. Appendices

These are listed below and attached at the back of the report

Appendix A	Lincolnshire County Council Benchmarking Review 2019
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8. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Mick Phoenix - Traffic Manager, Place, who can be contacted on 01522 552105 or mick.phoenix@lincolnshire.gov.uk .