

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

Report to:	Highways and Transport Scrutiny Committee
Date:	20 January 2020
Subject:	Highway Fees and Charges Review

Summary:

A report detailing a benchmarking review of the Councils fees and charges has been drawn up for consideration.

The report contains the reasoning for proposed increases and additions to the current charging regime, the need for future reviews and linking charges to the effects of inflation.

These measures will help to ensure services are delivered within a robust financial framework and help to reduce budget pressures.

Actions Required:

- (1) To consider the attached decision on the Highway Fees and Charges Review and to determine whether the Committee supports the recommendations to the Executive Councillor for Highways, Transport and IT.
- (2) To agree any additional comments to be passed to the Executive Councillor in relation to the Highway Fees and Charges Benchmarking Review.

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 supplied cover both discretionary, when the Council has the powers but is not obliged to deliver and statutory, when the Council has powers and is obliged to deliver. Income from discretionary powers can be invested to improve service delivery. Services that are statutory are charged under appropriate legislation and legislate for the recovery of costs.

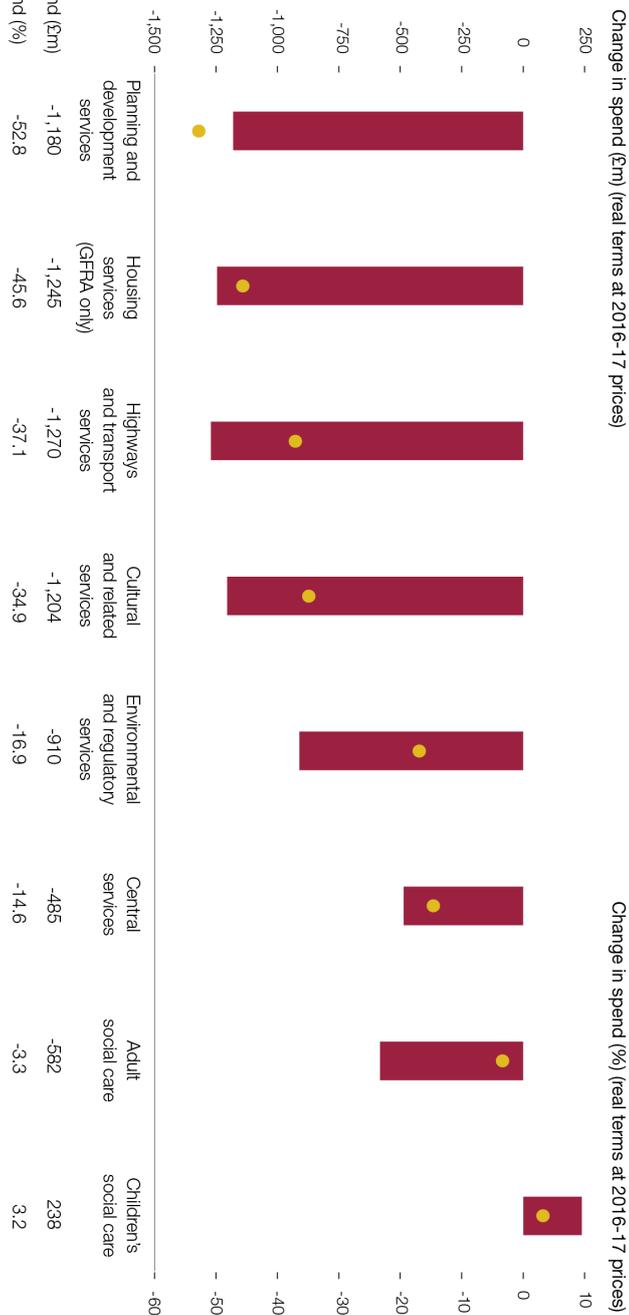
The services relate to highway compliance under the NRSWA 1991, land searches, parking waivers, traffic regulation orders and works carried out by the Council at the request of the public.

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 GFRA 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

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 current level of various charges had not been increased for at least 10 years and often no longer covers the Council's costs.

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

2. 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.

3. Consultation

a) Have Risks and Impact Analysis been carried out?

No

b) 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 to the overall service provided for the Lincolnshire Permitting Scheme and the Street-works elements therein.

4. Appendices

These are listed below and attached at the back of the report	
Appendix 1	I019270 – Highway Fees and Charges Review and Benchmark Report

5. 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, who can be contacted on 01522552105 or mick.phoenix@lincolnshire.gov.uk.