

South Lakeland District Council
Lake Administration Committee
Friday, 5 October 2018
Lake Windermere Fees and Charges 2019/20

Portfolio:

Report from: Director of Policy and Resources (Monitoring Officer)
Report Author: Frankie Flannigan –Principal Lake and Parking Services Officer
Wards: (All Wards);
Forward Plan: Not applicable

1.0 Expected Outcome

1.1 To supply members with proposals for Fees and Charges relating to Windermere Lake and the Lake Wardens Services from 1st April 2019 to 31st March 2020.

2.0 Recommendation

2.1 It is recommended that Lake Administration Committee:-

(1) Approve the Fees and Charges as detailed in Appendix 1

3.0 Background and Proposals

3.1 The Committee has the responsibility to set the annual Fees and Charges. When considering the Fees and Charges, the Committee need to take account of service demand, equity and value for money and the budget strategy and Medium Term Financial Plan (MTFP) requirements of the District Council. The Committee is also required to ensure that the requirements of the Corporate Charging Policy have been followed. (Appendix 2).

3.2 The Policy requires that consideration is given to;

1. Why are we providing this service?
2. Who benefits from the service – individuals or the community?
3. Do we subsidise this service from council tax?
4. What are we achieving by subsidising it?
5. How much do residents and businesses value the service?
6. How willing and able are they to pay for it?
7. What effect does charging have on the supply and demand for a service?
8. How can charging affect behaviour and assist service objectives?

3.3 The Council is the owner of the bed of the Lake and is required to ensure best consideration for its assets. The services provided allow for large numbers of users to enjoy Windermere and its environments in a safe and sustainable manner whilst providing revenue to support Council Policies and schemes throughout the District. The service is not subsidised by the Council Tax payer and is fully self-financing. Prior to proposing fees and charges the Lake Wardens and service managers consider options for each specific charge and the Appendix 1 attached details the result of these considerations. Further information is contained within the paragraphs referring to the fee areas.

3.4 The fees cover four distinct areas:

- Permanent and holiday moorings;
- Yearly renewed encroachments (The commercial term leases are outside the scope of the Fees and Charges);
- Ancillary Services (Including slipway, training, dinghy and winter storage);
- Marina Berths.

3.5 Permanent Moorings

Members will recall that over recent years the total number of moorings let has reduced slightly however the 2018/19 income has been achieved. Despite a difficult trading year in 2018 to date, the fees in 2019/20 are proposed to rise by around 3%.

3.6 Encroachments

Lake Encroachments that are renewed on a yearly basis have seen above inflation increases over recent years due to a large discrepancy between the Commercial Term lease rents that are negotiated and the fees set by the Committee. The fees for 2019 onwards have been proposed detailing a 3% increase which is in line with current inflation and with the rent for commercially negotiated leases, in most cases.

3.7 Ancillary services

These services are provided in support of the permanent moorings and to encourage other casual use of the Lake. Primarily they include items such as slipway usage, dinghy and trailer storage and the winter storage provision. Fee options for these services is controlled by the market and, whilst consideration of the MTFP requirements takes place, the main factor is usage (strength of the market) and user perception of value for money. There is potential for some commercial opportunities increasing tender storage winter berthing and possibly winter storage. This will be looked at over the coming year.

3.8 The vast majority of these fees have only had minor changes over recent years. Members will note that some fees have increased by relatively high percentage points however as the increases relates to small amounts of money in cash terms these are not considered material. The Lake Wardens and the Principal Lake and Parking Services Officer have considered these fees in depth and have proposed changes as detailed in Appendix 1.

3.9 Marina Berths

The Marina was completed at Ferry Nab in April 2015 and has proved very popular with 100% of sites let at all times. The extended dry period in the 2018 has led to difficulty letting 3 of the Marina berths and a separate Capital Bid to dredge areas of the Marina will be submitted in due course to mitigate the potential lost income in

future years. It is proposed to increase the berthing fees in 2019/20 by 3%. The services provided by the Council are different in a number of ways to the Commercial Operators, however on balance there remains a small disparity between the Commercial and Council current charges and therefore the 3% increase proposed reduces this gap slightly for 2019/20.

4.0 Consultation

4.1 The Lake Wardens carry out informal consultation with users on a regular basis. At the time of writing the 2018 Lake User survey has not concluded and therefore any comments cannot be reported.

5.0 Alternative Options

5.1 Members are asked to consider the options put forward in the report. They seek to limit the increase in fees and charges whilst sustaining the Lake Income and meet Medium Term Financial plan requirements of a 2% rise where practicable.

6.0 Links to Council Priorities

6.1 The Lake helps to support all areas of the Corporate Plan, in particular with regard to the public realm and visitor services and the economy.

Further links can be found within Culture and Wellbeing by using our open spaces to enhance our unique cultural identity.

7.0 Implications

Financial, Resources and Procurement

7.1 Financial and Resources

7.1.1 The future year's income base budgets are set by the agreed Medium Term Financial Plan (MTFP) and this has already had inflationary growth built into them. Where this cannot be met or managed through reductions in expenditure, this will be identified as a growth bid. The MTFP requires that Fees and Charges need to be consistent with income budgets and that this process must involve:

- a. review of 2017/18 out-turn and any relevant multi-year trends;
- b. review of current 2018/19 budget position;
- c. review of future year income budget; and
- d. assessment of the options for any changes to fees (structures as well as tariff) and the impact of this on the income budget.
- e. For any service area where income budgets are £100k or more per annum, this process will be documented. All services will review the potential for new fees.

7.1.2 The MTFP requires that the overall Lake income for the budget year 2019/20 is set at £1,455,000. This is a £34,000 increase on the 2018/19 base income budget and is in line with the MTFP requirements.

Human Resources

7.2 There are no Human Resource implications contained within this report.

Legal

- 7.3 Legal input will be required to prepare any Encroachment agreements as well as to deal with any challenges to the Encroachment areas and fee increases.
- 7.3.1 Furthermore, legal input may be necessary to respond to any issues that might impact upon the effective operation of the service and the level of fees that can be charged.

Health, Social, Economic and Environmental

- 7.4 Have you completed a Health, Social, Economic and Environmental Impact Assessment? No
- 7.5 If you have not completed an Impact Assessment, please explain your reasons: This report details proposed fees and charges.

Equality and Diversity

- 7.6 Have you completed an Equality Impact Analysis? No
- 7.7 If you have not completed an Impact Assessment, please explain your reasons: This report details proposed fees and charges.

Risk

Risk	Consequence	Controls required
That fees are increased beyond a level that the majority of users find acceptable and user levels fall.	Reduced income and increased pressure to raise fees further within a diminishing market.	Keep fees affordable and realistic in order to retain existing clients and secure new customers by providing an efficient well-managed service.

Contact Officers

Frankie Flannigan, Principal Lake and Parking Services Officer

Appendices Attached to this Report

(delete if no appendices attached)

Appendix No.	Name of Appendix
1	Proposed Lake Fees 2019/20
2	Corporate Charging Policy.

Background Documents Available

None

Tracking Information

Signed off by	Date sent
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Signed off by	Date sent
Legal Services	16/8/2018
Section 151 Officer	24/8/2018
Monitoring Officer	16/8/2018
SMT	24/8/2018

Circulated to	Date sent
Assistant Director	10/8/2018
Human Resources Manager	10/08/2018
Communications Team	N/A
Leader	N/A
Committee Chairman	N/A
Portfolio Holder	N/A
Ward Councillor(s)	N/A
Committee	5 th October 2018
Executive (Cabinet)	N/A
Council	N/A