

19 December 2023

Report of	Director of Finance (S151 Officer)	Author	Andrew Small Darren Brown
Title	Fees and charges 2024-25		
Wards affected	All		

1 Executive Summary

- 1.1 The report sets out proposed fees and charges for 2024/25.

2 Recommended Decision

- 2.1 To approve fees and charges for 2024/25 as set out in the Appendix to this report.

3 Reason for Recommended Decision

- 3.1 To respond to the significant budget gap created by the coronavirus pandemic and the associated recession and cost of living crisis, and the impact of these on Council income
- 3.2 To make reasonable increases in fees and charges that help fund and support Council services.

4 Alternative Options

- 4.1 Not to update fees and charges. This would reduce the funding available for Council services and necessitate additional savings or service reductions.

5 The impact of inflation levels on sales, fees and charges and the Council's overall financial position

- 5.1 The Councils Budget Strategy sets out that the Transformation Programme will need to generate substantial savings in all years of the Medium Term Financial Forecast (MTFF).
- 5.2 Inflation continues to have a very significant impact on the cost of Council services, whether it be pay inflation, energy costs, contractors prices or interest rates for the Council relating to its new borrowing.
- 5.3 Sales, fees and charges are an important funding source for Council services. The 2023/24 budget for sales fees and charges is c£17m, which was an increase of c£2m compared to the 2022/23 budget given the exceptionally high levels of inflation over the last year, the change in VAT treatment in Sport & Leisure, along with the move towards recovery from the significant loss of income due to the pandemic, e.g. in car parks and sport & leisure facilities. This is comparable to the budgeted 2023/24 income from council tax, business rates, new homes bonus and funding guarantee grant combined of £23m.

- 5.4 In 2024/25 it is forecast that economic uncertainty and higher than average inflation may mean service areas such as commercial rents, and sport and leisure may to be impacted and all losses will have to be funded by reserves and budget savings, unless additional government support is announced. There is currently no indication of this.
- 5.5 In the longer term the pace of economic recovery will be the predominant factor in determining sales fees and charges income.

6 Approach to setting fees and charges in 2024/25

- 6.1 Given the challenging circumstances set out above, the Council must look carefully at sales, fees and charges in 2024/25 in order to protect essential services whilst at the same time ensure they reflect the impact inflation is having on Council costs.
- 6.2 The Council usually expects to maintain the real value of fees and charges, by allowing for inflationary pressures. The Council also ensures fees and charges remain good value to residents and competitive compared to neighbouring councils. Fees and charges decisions are informed by an analysis of the total direct and indirect cost of the service.
- 6.3 Historically, Cabinet have agreed in previous years that sales, fees & charges will have a guideline uplift applied, which is the average rate of increase in the district council tax over the last 3 years. As part of the 24/25 Budget and Transformation programme proposals, it is recognised that fees & charges should be increased at a rate closer to the prevailing rate of inflation, mirroring the approach taken last year. The Consumer Price Index for September 2023 was 6.7%, therefore the increases contained within this report are mostly in-line with that level.
- 6.4 Since 2014 Cabinet has applied a flexible pricing framework where the Council has discretion to set prices. This enables managers to behave in a more commercial manner and to be able to respond more quickly to market forces, which could mean responding to periods of lower demand by reducing prices or offering promotions, or increasing prices where demand exceeds supply and there is clear competition for services. This will include a comparison with competitors to demonstrate our fees & charges remain competitive.
- 6.5 The Council will continue to publish and agree its fees & charges annually as part of the budget setting process, with the Constitutional delegation of authority to Portfolio Holders to amend pricing if appropriate during the year continuing.
- 6.6 Proposed fees and charges for 2024/25 are set out in the Appendix.

7 Service summary

7.1 The following table sets out the main fees and charges service areas, an indication of the budgeted income rounded to the nearest £0.1m and a summary of the proposals for 2024/25

Area and potential income	Summary of Proposals
Civic Events	All charges reviewed and increased to ensure remain cost neutral.
Land Charges and Electoral Services (£0.3m)	Land charges are set on a cost-recovery basis as mandated by Government. No change to statutory electoral fees.
Sports Grounds, Beach Huts, Countryside Sites and Open Space Events (£0.5m)	Reviewed to ensure competitively set. Most charges increased by inflationary uplift (c6.7%). Allotment charges frozen, and Beach Hut rents increased by 6.7%.
Market, Street Trading (£0.2m)	Market fees moved to Street Licences, resulting in varying increases. New commercial charges introduced.
Neighbourhood Staff	All charges reviewed and increased as needed to reflect cost of providing the service.
Street Naming and Numbering	All charges increased by varying rates.
Museums (£0.6m)	All charges reviewed for competitiveness and increased for inflation where appropriate.
Visitor Information Centre	Increases applied to adult tour charges, whilst child tour charges removed as they are a barrier to family groups joining tours. Guided tour charges increased by an average of 9.6%, ensuring charges remain competitive, whilst maximising income through tourism.
Private Sector Housing Services (£0.2m)	All fees and charges reviewed in line with inflationary assumptions, maximising income where possible.
Planning Services (£1.4m)	Some planning fees for statutory are set by Government. All non-statutory have been reviewed to reflect inflationary costs and the acceptable market rate.
Building Control Service (£0.6m)	Charges subject to Building (Local Authority Charges) Regulations and CIPFA guidance set on a "cost recovery" basis and remain competitive. A circa 6.8% increase has been applied to cover the cost of increased expenditure.
Parking Services (£3.7m)	All charges reviewed, with a number of specific tariff and site increases. Inflationary increase of 6.7% on most tariffs, with some exceptions.
Environmental Health and Licensing Services (£0.6m)	All Environmental Health charges reviewed, with a range of increases proposed. Licensing & Food Safety fees are cost-recovery, with increases to reflect inflationary costs.
Recycling and Trade Services (£0.8m)	Charges have been reviewed and uplifted for inflation.
Cemetery and Crematorium (£2.0m)	A mid-year review increased charges in 23/24 by an average of 4.3%, so some charges reflect increases of 4.7% to 7.2% for 24/25. Other charges increased in-line with inflation levels.
Sport and Leisure (£6.0m)	All charges have been reviewed & new prices proposed considering market forces/demand. Lifestyle prices are not shown as they are commercially sensitive.

7.2 The full schedule of proposed fees and charges is set out in the Appendix

8 Sales, Fees and Charges Consultation

8.1 Portfolio Holders have agreed the proposed fees and charges.

8.2 The budget strategy and timetable have ensured that information is available for scrutiny and input from all Members.

8.3 A budget workshop was held on 30 October 2023. A further budget workshop will be held on 9 January 2024 so that all members may share in the task of meeting the budget challenge.

9 Risk Management Implications

9.1 Modelling work has been undertaken to understand the impacts and variables arising from the current economic crisis.

9.2 Leisure and commercial income and the impact of sales fees and charges are very dependent on factors beyond the Council's control, such as consumer affordability, and impacts due to the severity and duration of the macro-economic downturn and recovery.

9.3 Modelling has been undertaken by service managers to assess the potential range of impacts before adopting the proposals set out in the report.

10 Strategic Priorities and Recovery

10.1 Post-covid recovery, for the Council, our customers, communities and businesses, is of critical importance. The charging proposals will allow recovery to continue whilst protecting funding for Council services.

11 Financial implications

11.1 As set out in the report.

12 Environmental and Climate Change Implications

12.1 All fees and charges are assessed for their likely environmental impact, reflecting the Council's commitment to be 'carbon neutral' by 2030. Environment and Climate Change is an essential cross-cutting theme in the Council's recovery planning and a core theme of the Strategic Plan.

13 Equality and Diversity Implications

13.1 Consideration will be given to equality and diversity issues in respect of fees and charges. This will be done in line with agreed policies and procedures including production of Equality Impact Assessments where appropriate.

14 Other Standard References

14.1 There are no direct Publicity, Human Rights, Community Safety or Health and Safety implications as a result of this report.