

2023/24 Fees and Charges

Cabinet	12 January 2023
Report Author	Chris Blundell, Acting Deputy Chief Executive and S151 Officer
Portfolio Holder	Cllr David Saunders, Cabinet Member for Finance
Status	For Recommendation
Classification:	Unrestricted
Key Decision	Budget and Policy Framework
Ward:	All

Executive Summary:

A review of fees and charges has been completed as part of the 2023/24 budget setting process. The review of fees and charges commenced in the early summer and proposed fees and charges (as detailed in Annex 1) are based on a broad 10% increase, which is expected to generate additional income of around £0.610m. This excludes items such as Selective Licensing, On Street Parking and specific growth items covered elsewhere in the budget.

The proposed schedule of fees and charges was reviewed by the cross-party Cabinet Advisory Group (CAG) at its meetings on 6 October and 27 October and recommendations have been made by the CAG for Cabinet's consideration, including:

- that a full parking review is carried out which would come into effect from April 2024, but in the meantime current parking charges would be increased by 10% or alternatively a comparable increase at each location so that is rounded to the nearest 10p.

Recommendation(s):

1. That Cabinet agrees the fees and charges schedule is updated to be based on a broad 10% increase, alongside the consideration of the recommendations made by the CAG (highlighted in paragraph 5.2), and recommends to Council for approval.

CORPORATE IMPLICATIONS

Financial and Value for Money

The financial implications have been reflected within the body of the report. However, were members to decide to reject any of the proposals, then additional savings of the same value would be required to deliver a balanced budget.

Legal

Section 151 of the 1972 Local Government Act requires a suitably qualified named officer to keep control of the council's finances. For this council, it is the Director of Finance (Acting S151 Officer), and this report is helping to carry out that function.

Local authorities have a variety of powers to charge for specific statutory services as set out in section 42 of the Local Government Act 2003.

The Localism Act 2011 provides local authorities with a general power of competence that confers on them the power to charge for services but again subject to conditions/limitations similar to those noted above.

Any decision made by the council must give due regard to the Public Sector Equality Duty section 149 of the Equality Act 2010.

Corporate

Corporate priorities can only be delivered with robust finances and this report gives Members the opportunity to review the council's proposed fees and charges for 2023/24 as part of the budget process.

Equalities Act 2010 & Public Sector Equality Duty

Members are reminded of the requirement, under the Public Sector Equality Duty (PSED) (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.

Protected characteristics: age, gender, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.

The Equality Act 2010 (the “Act”) came into force on 1 October 2010 and brings together over 116 separate pieces of legislation in order to create a framework to protect the rights of individuals and advance equality of opportunity for all.

The Equality and Human Rights Commission recognises that with major reductions in public spending, local government has to make difficult and often unpopular decisions regarding funding and service provision. Thanet District Council has statutory public sector equality duties concerned with eliminating unlawful discrimination, advancing equality of opportunity and fostering good relations on the basis of protected characteristics such as gender, race, disability or age. These duties do not prevent the council reducing services or charging where necessary - provided that decisions are taken in accordance with the Act.

An Equality Impact Assessment (“EIA”) is not a legal requirement in England, but it is an established and credible tool for demonstrating due regard to the public sector equality duty, which is required by law. Thanet District Council, taking its obligations as seriously as it does, had the Policy Owner for each proposed fee and charge, complete an EIA.

An analysis of the impacts fees and charges might have to the statutory equality duties encouraged Thanet District Council to take a proportionate approach to fees and charges. EIAs tailored the necessary mitigations and exceptions, for example.

The council is satisfied that, in all the circumstances, the Schedule of 2023-24 fees and charges, those subject to an EIA, are lawful for the purposes of the public sector equality duties in the Equality Act 2010.

The council recognises that EIAs are not an end in themselves. They are, of course, a way of showing that due regard has been paid to the general duties; but the council will continue, all-the-time, engaging with the equality considerations, accepting comments and opinions from stakeholders and maintain a positive relationship with the Equality and Human Rights Commission.

Corporate Priorities

This report relates to the following corporate priorities: -

- Growth
- Environment
- Communities

1. Introduction and Background

- 1.1. This report sets out the proposed fees and charges for 2023/24. This covering report summarises the main points, with the details being provided in Annex 1.
- 1.2. Due to the high inflation environment that we are operating in, the council has seen a substantial increase in its own running costs and the cost of the services that it provides, including but not limited to an increase in fuel, energy and expected staffing costs.

- 1.3. The council's services are funded from a broad range of income streams, with fees and charges being just one means of financing. However, other sources of income have reduced or restricted in recent years, such as income from council tax and government grants. For instance, the council has limited discretion to vary council tax, with increases limited to the higher of £5 or 2.99%. Government funding has also reduced significantly over the past decade.
- 1.4. Given these income restrictions and the need to balance the budget, locally generated sources of income such as fees and charges are even more important than ever and should be considered and treated as commercially as possible in order to optimise these income streams. It is important the council organises itself and invests in ways that maximise that income, whilst balancing this with managing the impact on our residents and service users.

2. Approach to Setting Fees and Charges

- 2.1. The fees and charges setting process for 2023/24 started early in the summer. A rigorous examination of all the council's fees and charges was undertaken by the service managers, using techniques such as benchmarking and other in-depth reviews.
- 2.2. Service managers also completed Equality Impact Assessments as per the requirement of the Public Sector Equality Duty and hence informed their design of the service and price.
- 2.3. The cross party Fees and Charges Cabinet Advisory Group (CAG) met on 6 October and 27 October and considered the proposed fees and charges for 2023/24. The outcome of this review is set out at section 5.
- 2.4. Where relevant, some services fees and charges were also discussed and considered at the budget prioritisation meetings held in November, as detailed in the draft budget report.

Purpose of Fees and Charges

3. Key Changes

- 3.1. Key proposed changes to bring to Members' attention include:

Bulky Waste - Replaced single price with a new pricing structure per individual item. So will benefit customers who only have for example one smaller item. It is also expected this will help to reduce fly tipping.

Green Garden Waste - Increased the annual fee from £55 to £65 to offset the increased costs of service provision, with significant increase in fuel and other running costs seen in recent years.

Crematorium - There has been a reduction in budget to reflect forecast underachievement of income in 2022/23, but all fees have been reviewed and increased at various levels with some more than the 10% target to reflect changes in customer demands and cost bases.

Planning - Pre-planning advice fees have been increased at various levels, with some more than the 10% target. For example, the charges for major developments have increased by up to 46%, whereas minor developments have seen relatively lower increases.

Allotments - Fees have been increased for the first time in 3 years.

Filming - Minimum charges have been increased, for example the filming fee for productions with crews of 75 or more people increasing by 50% from £1,000 to £1,500.

Port and Harbours - Charges have been reviewed and increased by 10%, making a significant budgetary contribution to fees and charges of £244k.

Parking - The primary purpose for setting fees and charges for car parks and on-street car parking is to aid traffic management and traffic flow. Customer behaviour and demand for car parking has now largely returned to pre-pandemic levels. As such, in order to maintain the real-term impact of car parking charges on driver behaviour an inflationary increase has been applied to charges. As such, charges have been reviewed and increased by 10% where possible, or alternatively a comparable increase at each location so that is rounded to the nearest 10p. Whilst financial implications are not the primary driver for setting charges for car parking, the outcome of this increase is an £95k increased budget contribution for Off Street parking. The finances associated with On-Street parking are managed separately and income is ring-fenced to a separate earmarked account, so whilst the changes in fees will result in total annual income increasing by £100k it cannot be used for the general fund budget.

The Council is about to embark on the refresh of its Car Parking Strategy and Cabinet is committed to reviewing the potential to introduce car parking discounts for residents as part of the parking strategy review. It is expected that the strategy will be published in June 2023.

4. Budgetary Implications

- 4.1. Annex 1 to this report sets out the proposed level of fees and charges for 2023/24 in respect of services provided by the council. A target of a 10% increase was set for all charges at the outset of the fees and charges process. As a result of reviewing all the council's fees and charges, additional income of £0.610m is anticipated in 2023/24. Table 1 compares 2022/23 to the proposed 2023/24 fees and charges.

Table 1 – Comparison with previous year

	2022-23	2023-24
Income Increase	£125,040	£610,060
Percentage Increase	1.1%	6.12%

4.2. Whilst the general strategy was to apply a 10% inflation linked increase to fees and charges, some charges have remained at 2022/23 prices, others have increased to reflect parity with other authorities and some to cover the cost of providing the service. Consequently, the proposals represent an overall increase in income of 6.12% when compared to the relevant base budget of £9.969m.

5. Fees & Charges Cabinet Advisory Group

5.1. The cross-party Fees and Charges Advisory group was set up to:

- advise Cabinet on an approach for setting future fees and charges proposals;
- consider this advice within the context of the requirement to achieve a minimum annual increase of £400,000 from fees and charges, in order to support the delivery of a balanced budget;
- consider benchmarking information;
- consider how charging is used to manage demand for a service;
- consider how charging affects accessibility for service users;
- report back to Cabinet through the Chairman of the cabinet advisory group.

5.2. As a result the CAG met on the 6 October and 27 October and the following recommendations were made:

- that a full parking review is carried out which would come into effect from April 2024, but in the meantime current parking charges would be increased by 10% or alternatively a comparable increase at each location so that is rounded to the nearest 10p.
- that charges for filming be increased
- that the annual Green Garden Waste collection fee be increased from £55 to £65.

5.3. These recommendations have been incorporated into the proposed fees and charges as detailed in Annex 1. The full parking review will be accommodated by the implementation of the revised parking strategy, which will be completed by the summer of 2023.

5.4. The CAG also made a number of additional recommendations, that following further review by officers were not practically possible. These included but were not limited to:

- The CAG recommended the introduction of discounted or free car parking permits for key workers be considered by Cabinet. Due to the difficulty of defining what a 'key worker' is and also a significant administrative burden to implement, monitor and enforce this policy, it is not practically possible at this time within available resources.

- The CAG also recommended discounted parking for residents. The Council is about to embark on the refresh of its Car Parking Strategy and Cabinet is committed to reviewing the potential to introduce car parking discounts for residents as part of the parking strategy review.
- The introduction of chargeable bicycle parking storage was recommended by the CAG. This will be considered further following the completion of the car parking strategy.

5.5. Consequently, these recommendations have not been incorporated into the proposed fees and charges for 2023/24.

6. Options

6.1. That Cabinet receives the fees and charges proposals as put and recommend to Council for approval.

7. Next Steps

7.1. Subject to any feedback required for Cabinet, this report will be considered by the Overview & Scrutiny Panel on 17 January 2023 and if the Panel makes recommendations to Cabinet, the Cabinet meeting on 26 January 2023 will consider them.

7.2. Council on 9 February 2023 will consider the proposed fees and charges for approval alongside the draft budget for 2023/24.

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Annex List

Fees and Charges Schedule 2023/24

Background Papers

None

Corporate Consultation

Finance: N/A

Legal: Sameera Khan, Acting Monitoring Officer