

2024/25 Fees and Charges

Cabinet	25 January 2024
Report Author	Chris Blundell, Director of Corporate Services and S151 Officer
Portfolio Holder	Cllr Rob Yates, Cabinet Member for Corporate Services
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 2024/25 budget setting process. The review of fees and charges commenced in the early summer and proposed fees and charges were based on a broad 8% increase, which was expected to generate additional income of around £0.350m. This excludes items such as On Street Parking, Selective Licensing, and Housing HRA. However, the recent fall in CPI has meant this approach needed to be reviewed and changes were proposed and implemented. For some areas the % increase has been limited to 5% and the additional income expected to be generated is now £0.234m

Recommendation(s):

1. That Cabinet considers the fees and charges as set out and agrees to make the recommendation 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 Corporate Service and Section 151 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 2024/25 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 2024/25. This report summarises the main points.
- 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 3.00%. 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 2024/25 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. Where relevant, some services fees and charges were also discussed and considered at the budget prioritisation meetings held in August, as detailed in the draft budget report.
- 2.4. When the draft revenue budget was approved last October, our approach to setting fees and charges for 2024/25 was to target a minimum 8% inflationary increase in our fees and charges for next year. That 8% target reflected the rate of CPI as it stood in June 2023. To ensure that charges remain competitive and that income budget expectations are realistic (e.g. to take account of charging areas where there are existing shortfalls of actual income against budget), for 2024/25 only, a £350k increase in our total budget income for fees and charges was assumed; this compared with an assumed £600k increase in 2023/24. This increase of £350k is approximately equal to a 3.26% increase in our expected income from fees and charges for the forthcoming year.
- 2.5. Since the draft budget was approved in October, officers have worked through every charge that we make and applied notional increases at or around the 8% level. Those notional charges are set out in the tables below.
- 2.6. However, following the Christmas break, and further discussions between cabinet and officers, we have taken the opportunity to review these proposed increases in the light of the more recent national CPI figure, which is currently 3.9%.
- 2.7. One of the principles of setting charges ought to be that the income gained should seek to cover the costs of delivering the service which is being charged for. The great majority of costs that we incur in delivering services is related to staffing, and staff pay will increase by 5.75% in 2024/25. There are other, materials-based cost increases which are still exceeding 4% inflation.
- 2.8. However, we are acutely aware of the impact of inflation on local residents over what is now a lengthy period of time. We are, therefore, proposing to cap increases for certain types of fee and charge increases at 5%. The details are set out below. The revised increase to our total budget for fees and charges is now a £234k increase. This is a 2.19% increase compared to total base budget.
- 2.9. The key headlines in terms of proposed changes to fees and charges are as follows:

Maritime - Inflation based increases in charges for this service area are as anticipated last October, and should generate a further £164k.

Parking - The primary consideration when setting parking charges is to manage traffic flow. In order to maintain the real-terms effect on customer behaviour a reduced increase of approximately 5% is proposed to be applied. The financial implications of this change is that revenues are expected to increase by approximately £150k. Cabinet is asked to note that income raised through on-street parking charges must only be spent on highways and parking related services and is shared with Kent County Council, so has a neutral effect on our budget. Income raised through off-street parking charges, in our own car parks, does have an impact on our budget.

Garden Waste - we are proposing to apply a 5% increase in this area. However, this may only increase the income budget by a further £15k, due to existing in-year deficits on income projections for 2023/24

Crematorium - Fees and charges have been examined closely in this area to ensure the offer remains competitive given the opening of crematoria facilities in Herne Bay and Faversham and the potential risk of a share of our existing customer base to be lost to these new facilities. We propose to look carefully at charges in this area, as a direct result of this commercial competition, and to set increases of 5% in the income budget for this service, over and above this, funds have been allocated to further reduce anticipated income within this area.

Waste Bin replacement - we will be conducting a review of our collection arrangements, which will include how we deal with replacement bins. Pending that review, we propose that the increase in charge for replacement bins is 5%.

Planning - As detailed above, the £260k of additional income expected to be retained following the increase in the nationally set planning fees will be reinvested into the planning service.

5.23. As part of the overall budget setting process, we will seek to update the schedule of the proposed fees and charges for 2024/25 in the annexe to the Fees and Charges report in time for the meeting of the Cabinet on 25 January 2024 for recommendation to Council for approval in February. Given the timescales of the announcement of the provisional settlement only just before Christmas, and the latest reduction in CPI, announced on December 20th, it will not be possible to update the schedule in time for the meeting of the Overview and Scrutiny Panel.

3. Key areas to bring to Members Attention regarding Fees and Charges

As set out above, the original figures considered by the Fees and Charges CAG were set at an average 8% increase. Those original figures are set out in the table below

3.1 Budget Contributors

Areas that have increased charges and budgetary targets for 2024/25 are:

Area	Ave % Increase to Fees	Budget Increased by (Contribution) £
Maritime	7.18%	164,000
Parking	6.38%	150,000
Bin Replacements	10.83%	6,500
Licensing	7.66%	7,330
Green Waste	10.13%	14,570
Filming	9.57%	2,600
Sports Pitches	0%	5,000
TOTAL		350,000

However, as a result of the review mentioned in paragraph 2 above, the revised Average % increases would now be as follows :

Area	Ave % Increase to Fees	Budget Increased by (Contribution) £
Maritime	7.18%	164,000
Parking	5.0%	118,000
Bin Replacements	5.0%	3,000
Licensing	7.66%	7,330
Green Waste	5.0%	7,000
Filming	9.57%	2,600
Sports Pitches	0%	5,000
TOTAL		306,930

It is proposed that of the remaining balance available to reduce fees and charges of £72,930, £41,030 is used to reduce the fees and charges at the Crematorium and Cemeteries to a 5% increase. And the balance of £31,900 is retained to be used to regularise the budgets where the current income target is not being met in this same area. This means the budget contribution from Fees and Charges for 2024/25 is expected to be £234,000.

3.2 Fees Increased but unable to increase budgetary target for 2024/25 to avoid setting targets that are not achievable

Area	Ave % Increase to Fees
Crematorium	5.0%
Cemeteries	5.0%
Refuse - Bulky	12.34%
Water Users / Metal Detectors	10.91%
Environmental Health	10.48%
Planning	11.33%
Land Charges	8.17%
Building Control	5.05%
Property Services	6.03%
Museums	12.80%
KIC	18.49%

3.3 Summary of New fees that have been proposed

Area	£ Fee	Description
Crematorium	650	Individual standard rose with granite style marker 10 year lease
Coastal Wellbeing Membership	52	We are testing a pilot Coastal Wellbeing Registration in Walpole Bay to check instructor insurance and qualifications so that we can share the activities on the Visit Thanet page to help promote Thanet as a wellbeing destination that offers a range of activities to residents and visitors. If successful to then introduce a new activity group fee of £52 annually from April 2024.
Promenade Concession Parking	1,200	Concessions breach coastal codes by parking on promenades. The solution is to mark out paid parking spaces on specific locations to offer to concessions at £1200 per year. Areas include Louisa Bay, Margate, Walpole Bay, Granville Ramsgate. Marked pop up stall spaces coils also be marked as part of the scheme.
Export Certificates (Food)	130 / 100	Certification incl. 1 Hour Officer Time £130 Additional Hours of Officer Time £100 There is currently no target for these, but will look to add in for the following financial year if there is any uptake.

3.4 Summary of fees that have been proposed to be Deleted

Area	£ Fee	Description
Street Cleansing	1,250 - 2,250	Provision of Litter Bins for Events
Refuse Collection Bins	65.83	660 Ltr Waste Bin and Red or Blue Bin
VIC	0.08 - 0.17	Photocopying official document. Rarely asked for and the VIC no longer has a large copier, just a desktop.
Licensing	130.00	original and renewal of Hackney Carriage and Private Hire Drivers licences
Licensing	41.00	Taxi Driver Knowledge Course - we no longer run this in house it has been outsourced so there is no longer any payment that needs to be made to licensing.

3.5 Parking Changes / Reviews Undertaken

- Removal of linear step charging in Car Parks. This will make charges all between 1 and 5 hours. This would be for the machines and RingGo and would be better for the user as it shows a simple pricing structure.
- Marine Esplanade residents vouchers. Reviewed as the daily charge for the car park is nearly in line with the voucher so not saving residents any additional money.
- Installation of highway benches. We have increased the cost of installation of a bench on the highway as the staffing costs to these have been reviewed.
- Amend unlimited free parking in car parks for blue badge holders. The limit to be changed to 3 hours. This is in line with other councils within Kent. This would allow the turn over of spaces in the car parks and ensure parking is available to all users of the car park. EIA has been completed for this.

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 5% where possible, or alternatively a comparable increase at each location so that is rounded to the nearest 10p.

The cross-party Cabinet Advisory Group (CAG) of 2023/24 recommended that a full parking review should be carried out for implementation during 2024/25. A contract has been awarded to a consultancy firm to facilitate this.

4. Budgetary Implications

- 4.1. Annex 1 to this report sets out the proposed level of fees and charges for 2024/25 in respect of services provided by the council. A target of a 8% 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 £0.350m was anticipated in 2024/25. After further discussions this has been reduced down to £0.234m (£0.316m less £0.073m to reduce areas where targets are not being met, namely the Crematorium)

4.2. Table 1 compares 2023/24 to the proposed 2024/25 fees and charges.

Table 1 – Comparison with previous year

	2023/24	2024/25
Income Increase	£610,060	£234,000
Percentage Increase	6.12%	2.19%

4.3. Whilst the general strategy was to apply a 8% inflation linked increase to fees and charges, some charges have remained at 2023/24 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 2.19% when compared to the relevant base budget of £10.689m.

5. Options

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

6. Next Steps

6.1. Subject to any feedback required for Cabinet, this report will be considered by the Overview & Scrutiny Panel on 16 January 2024 and if the Panel makes recommendations to Cabinet, the Cabinet meeting on 25 January 2024 will consider them.

6.2. Council on 8 February 2023 will consider the proposed fees and charges for approval alongside the draft budget for 2024/25.

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Reporting to: Chris Blundell, Director of Corporate Services and Section 151 Officer

Background Papers

None

Corporate Consultation

Finance: N/A

Legal: Ingrid Brown, Head of Legal and Democracy & Monitoring Officer