

# Cabinet

24 February 2021



<b>Title</b>	Fees and Charges Report 2021/22
<b>Purpose of the report</b>	To make a decision
<b>Report Author</b>	Paul Taylor – Chief Accountant
<b>Cabinet Member</b>	Councillor Sati Buttar
<b>Confidential</b>	No
<b>Corporate Priority</b>	Financial Sustainability
<b>Recommendations</b>	Cabinet is asked to consider and approve the proposed fees and charges for 2021/22 as set out in Appendix A.
<b>Reason for Recommendation</b>	Fees & Charges are an important source of income for the authority each year and are a key importance in balancing the budget.

## 1. Key issues

- 1.1 The Council in common with many businesses and organisations across the UK is facing an extremely difficult economic climate. The Covid-19 Pandemic started to impact on the UK economy and on the Council's finances at the beginning of April 2020. The requirements imposed in relation to social distancing and other measures to control the spread of the virus such as lockdowns, closure of retail and hospitality businesses and extended working from home, has disrupted the normal pattern of economic activity in the Borough. This has had a significant adverse effect on the Council's income from fees and charges.
- 1.2 The impact upon Local Authority finances across the UK has been so severe, in 2020/21 that the Government has needed to introduce a special grant to recompense Councils for the loss of sales and fees and charges income and mitigate the losses.
- 1.3 The effect of the Pandemic on economic activity has also impacted upon inflation during 2020/21. Currently the inflation rate as measured by the Consumer Prices Index (CPI), which has reduced steadily during the year, stands at 0.6% at the end of December.
- 1.4 The Council must perform a balancing act between maximising additional income that can be generated through fees and charges and setting fee levels which are sustainable whilst not adversely impacting on overall income levels. At the same time the Council also needs to be mindful of the impact on residents and the local business community from any increases in fees and charges.

- 1.5 2021/22 will continue to be another difficult year, with continuing uncertainty about the effects of the pandemic on residents, businesses and the Council. Whilst there are hopeful indications that the economic situation and lives of residents will start to improve, it is difficult to forecast the speed of the recovery and it is likely that any improvement may be slow. Therefore 2021/22 is likely to be another tough year.
- 1.6 The fees & charges for 2021/22 consist of two separate elements, those marked statutory in Appendix A relate to those where central Government has imposed a required fee level to be charged, and discretionary over which the Council has control over the fee level, this includes Building Control where the fees operate within the statutory requirement to ensure the service breaks even over a three year rolling period.

## **2. Options analysis and proposal**

- 2.1 More than a third of the Council's total income, excluding housing benefit grant income, is generated through fees and charges, rents and grants. This therefore is of key importance in balancing the budget.
- 2.2 The detailed schedule of proposed fees and charges effective from 1 April 2021 is shown in the 2021/22 fees and charges document detailed in Appendix A.
- 2.3 All fees and charges were reviewed in 2020/21 by Group Heads in the context of the services concerned and in terms of reasonability of the fee being set.
- 2.4 For 2021/22, the Council's fees and charges have been reviewed in the context of inflation and other factors. Group Heads have considered the current levels of fees and charges and have in the main proposed that fees and charges are not increased above those set for 2020/21. The general view amongst Officers is that, in the current exceptional economic and social circumstances, with businesses and residents facing low levels of inflation, and constrained business and personal incomes, it would not be appropriate to increase fees and charges in 2021/22.
- 2.5 For 2021/22, as with previous years, Group Heads have been asked to revisit the overall budgeted income estimates, compare them with other authorities' charges and then base revisions on the income seen in 2020/21 to date to reassess the likely full-year income position.
- 2.6 In respect of the economic climate, all areas are being monitored through the 2020/21 budget monitoring process to assess the actual income compared to budgets. Management Team receive a monthly report on the major income areas highlighting the current position against that for the previous year.
- 2.7 Car parking charges remain broadly at 2020/21 rates. This reflects the Council's desire to help local retailers and the business community.
- 2.8 It should be noted that in exceptional circumstances discounted pricing may be considered where an activity supports a strategic priority of the Council to the benefit of a particular community group
- 2.9 The Council is continuing, as a principle, to look at services to ensure that all areas make charges for services provided and appropriately reflect the costs of provision. In this way, users of such services are charged for those services, and Council Taxpayers are not subsidising those services.

## **3. Financial implications**

- 3.1 It is not anticipated that the additional fees and charges income will increase in 2021/22, based on the fees and charges contained within Appendix A.
- 3.2 This represents an average increase in fees and charges income of between 2 and 2.5%.
- 3.3 The total potential income therefore from municipal rents, fees and charges to be incorporated into the 2021/22 budget will be approximately £7.8m.
- 3.4 The Council will continue to receive a Sales, Fees and Charges Grant for the period April to June. Support for irrecoverable fees and charges losses beyond this period will be subject to future Government decisions.
- 3.5 Given the uncertainty about future income in 2021/22, a central contingency will be made to offset the risks of income shortfalls.
- 4. Other considerations**
  - 4.1 There are none.
- 5. Timetable for implementation**
  - 5.1 The fees and charges proposed are to be implemented from 1 April 2021.

**Background papers:**

**Appendix A - Fees and Charges 2021-22 Full List**