

Corporate Policy & Resources Committee



7 February 2022

Title	Draft Fees and Charges Report 2022/23 This report will be subject to change following meetings with each Committee, which will feed into the CP&R Committee meetings taking place in late January and discussions at the meeting on 7 February. Therefore, this report is likely to be amended and updated.
Purpose of the report	To approve the report
Report Author	Paul Taylor Chief Accountant
Ward(s) Affected	All Wards
Exempt	No
Corporate Priority	Community Affordable Housing Recovery Environment Service Delivery
Recommendations	Committee is asked to approve the proposed fees and charges for 2022/23 as set out in Appendix A and B
Reason for Recommendation	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 Since March 2020, the Council in common with many businesses and organisations in our Borough and across the UK have faced the worst economic climate in almost 300 years, due to the COVID-19 pandemic. Since then, we have all experienced a stop start regime cause by lockdowns in response to rising pressure on the NHS and the number of new variants identified increases. The requirements imposed in relation to staying at home, social distancing, and other measures to control the spread of the virus has meant the 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 In the early part of 2021/22, the Council continued to receive financial support from Government to mitigate the lost sales, fees and charges caused by the

new Omicron variant, and it is very unlikely that this support will resume in 2022/23.

- 1.3 The effect of the stop start impact on the economy caused by lockdown particularly as there is a shortage of supply of goods and services compared to demand, has also impacted upon inflation during 2021/22, most notably in November and December 2021, when annual inflation (as measured by the Consumer Prices Index) was 5.1% and 5.4% respectively.
- 1.4 The Council must perform a balancing act between maximising additional income that can be generated through sales 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 At the beginning of this Budget process Council was working on an annual inflation rate of 3%, however, following Brexit and the supply chain challenges caused by the pandemic, the Council is already seeing significant increases in its materials, shipping, energy and contractor costs, which are going to impact on the Council throughout 2022/23 and possibly beyond. Whilst there are hopeful indications that the economic situation and lives of residents are starting to improve, it is difficult to forecast the speed of the recovery and it is likely that any improvement will be slow. Therefore 2022/23 is going to be another challenging year.

2. Options analysis and proposal

- 2.1 The Council generates almost 80% of its non-investment property income and excluding council taxes, business rates, housing benefit grant income, through fees and charges, rents, and grants. This therefore it has a significant impact on the assisting council to deliver a balanced budget.
- 2.2 The detailed schedule of proposed fees and charges effective from 1 April 2022 is shown in the 2022/23 fees and charges document detailed in Appendix A and B.
- 2.3 All fees and charges were reviewed in 2022/23 by Group Heads in the context of the services concerned and in terms of reasonability of the fee being set. Individual service committees have reviewed the draft proposed fees and charges relating to the services under their remit.
- 2.4 For 2022/23, 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 the current rate of inflation mention in 1.3 above. The general view amongst Officers is that, in the current exceptional economic and social conditions, some difficult decisions need to be made today, rather than leave them to become significant decisions in later years. With inflation at 5.4% and our proposed Council Tax increase limited to 2.4% in real terms the Council is already at a disadvantage, in real terms. By increasing our sales, fees, and charges to 5%, we will ensure that we can maintain the delivery of our services to residents throughout the year and avoid cuts to services.
- 2.5 In respect of the economic climate, all areas are being monitored through the 2022/23 budget monitoring process to assess the actual income compared to

budgets. Management Team can view their sales, fees, and charges in real terms via our integrated financial systems and receive a quarterly report on the major income areas highlighting the current position against that for the previous year.

- 2.6 Car parking charges have suffered more than others through the pandemic and the sixty-four-million-dollar question is when will they recover? As a result of this, the Council is proposing no increase in our car parking fees, and in many Council owned car parks we will still provide the first hour free of charge, to encourage people to shop in our towns, this reflects the Council's desire to help local retailers and the business community.
- 2.7 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. Please refer to our new Corporate Plan <https://www.spelthorne.gov.uk/corporateplan>
- 2.8 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 anticipated that the additional fees and charges income will increase in 2022/23 by approximately £200,000 based on the fees and charges contained within Appendix A and B.
- 3.2 The fees and charges income will increase between 0% and 5% depending on the service, full details in Appendix A and B.
- 3.3 The total potential income from municipal rents, fees and charges to be incorporated into the 2022/23 budget will be approximately £8.0m.
- 3.4 It has been assumed that there will be no Government support for offsetting ongoing impact of COVID-19 on fees and charges income during 2022/23.

4. Other considerations

- 4.1 There are none.

5. Equality and Diversity

- 5.1 The Fees and Charges list, levy a reasonable charge on the people who use the services.

6. Sustainability/Climate Change Implications

- 6.1 None.

7. Timetable for implementation

- 7.1 The fees and charges proposed are to be implemented from 1 April 2022.

Background papers: Included with this report are Appendices C and D, which show the income earned from our individual fees and charges.

Appendices:

Appendix A – Discretionary fees and charges 2022/23 – by committee.

Appendix B – Statutory fees and charges 2022/23 – by committee

Appendix C – Discretionary fees and charges income 2020/21 to 2022/23
Appendix D – Statutory fees and charges income 2020/21 to 2022/23