

Corporate Policy & Resources Committee



20 February 2023

Title	<i>Fees and Charges Report 2023/24</i>
Purpose of the report	To make a decision and a recommendation to Council
Report Author	<i>Paul Taylor Chief Accountant</i>
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 2023/24 as set out in Appendix A to F.
Reason for Recommendation	<i>Council approved Fees & Charges are an important source of income for the authority each year and are a key importance in balancing the Budget.</i>

1. Summary of the report

1.1 The Council is asked to approve the proposed Fees and Charges for 2023/24 as set out in Appendix A to F for each Committee.

2. Key issues

2.1 The Council generates 22% of its gross income to support frontline services through fees & charges, and it is a significant part of the Council budget and assists the Council to deliver a balanced budget.

2.2 Corporate Policy & Resources Committee (CPRC) requested that the following minimum increases in Fees and Charges be applied for 2023/24:

- (a) 5% increase on discretionary fees and charges
- (b) Maximum charged for all statutory fees and charges

2.3 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 10.5% for the twelve months to 31 December 2022, and our proposed Council Tax increase limited to 2.9% in real terms the Council is already at a disadvantage. A 5% increase represents an increase well below current inflation levels.

- 2.4 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 volume of transactions with our residents and local businesses in the Borough.
- 2.5 By setting the annual increase in fees and charges below the current average interest rate, the Council is looking to ease the pressure on local residents and businesses and make up the shortfall in real income, by encouraging residents and local businesses to use the Council's service and therefore increase the volume of sales.
- 2.6 All 2023/24 fees and charges proposed by Budget Managers were reviewed by the Senior Management Team and Group Heads in the context of the services concerned and the mandate received from Council.
- 2.7 Individual Committees subsequently discussed and reviewed the draft proposed fees and charges relating to the services under their remit, and apart from Car Parks Officers have indicated that they are not proposing to increase prices due to the current lack of demand to use each car park.
- Also, at the Community Wellbeing and Housing Committee meeting in January, despite 20%+ food inflation, they voted to support recommending that Meals on Wheels charges are not increased in 2023-24, the remaining Committees all complied with the mandate from CP&RC.
- 2.8 Following on from the Pandemic, the Council in common with many households, businesses and organisations in our Borough and across the UK have faced the highest raises in inflation since the mid 1980's, under what is commonly referred to as the Cost of Living crisis, with inflation averaging 10.5% for the 12 months to 31 December 2022, the Council estimated that an additional £1.2m would be incurred and this would adversely impact on the 2022/23 and 2023/24 budgets.
- 2.9 No additional funding to support the Council's current and future Fees and Charges has been forthcoming, to assist with the impact of the Cost of Living crisis on the Council's Fees and Charges.
- 2.10 In respect of the economic climate, all areas are being monitored through the 2023/24 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. Car parking is one key area where income and customer numbers have still not returned to pre-pandemic levels.
- 2.11 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.
- 2.12 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>
- 2.13 The Council will be investing more time in reviewing the Fees and Charges for all the Council's 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.

2.14 The detailed schedule of proposed fees and charges effective from 1 April 2023 is shown in the 2023/24 fees and charges document detailed in Appendix A to F .

2.15 Therefore, 2023/24 is going to be another challenging year for the Council.

3. Options Analysed

3.1 Following guidance from Corporate Policy & Resources Committee in September, every Committee has reviewed and considered each fee and charge and apart from the items in 2.7 below, considered the proposal to increase fees and charges by a minimum of 5% for the discretionary and to charge the maximum for statutory fees and charges, as the only option.

4. Financial implications

4.1 It is anticipated that the additional fees and charges income will increase in 2023/24 by approximately £200,000 based on the fees and charges contained within Appendix A and B.

4.2 The fees and charges income will increase between 0% and 5% depending on the service, full details in Appendix A to F.

4.3 The total potential income from municipal rents, fees and charges to be incorporated into the 2023/24 budget will be approximately £8.0m.

4.4 It has been assumed that there will be no Government support for offsetting ongoing impact of COVID-19 on fees and charges income during 2023/24.

5. Risk considerations

5.1 In the event that Council does not approve the Fees and Charges for 2023/24 by 31 March 2023, at the latest, the Council will not be able to impose the Fees and Charges on the users of our service.

5.2 Reduced fee income combined with other financial pressures facing the Council could have an impact on the Council's ability to deliver services to its residents and communities.

6. Procurement considerations

6.1 There are none.

7. Legal considerations

7.1 Please note that for Statutory Fees and Charges, the price is set centrally.

8. Other considerations

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

9. Equality and Diversity

9.1 The Fees and Charges list, levy a reasonable charge on the people who use the services, where the Council becomes aware that a proposed increase in a fee or charge will have an impact on a particular cohort of residents, it will consider undertaking a quality impact assessment before implementing a proposed increase.

10. Sustainability/Climate Change Implications

10.1 There is no impact

10.2 Detail how the proposal will support/impact sustainability/climate change issues.

11. Timetable for implementation

11.1 If agreed by Council, the fees and charges proposed are to be implemented from 1 April 2023.

12. Contact

12.1 Paul Taylor Chief Accountant – p.taylor@spelthorne.gov.uk

Background papers: Various reports to each Committee between September 2022 and January 2023, as disclosed in the agenda and minutes of each meeting.

Appendices:

Appendix A – Corporate Policy & Resources Committee.

Appendix B – Administration Committee.

Appendix C – Community Wellbeing & Housing Committee.

Appendix D – Economic Development Committee.

Appendix E – Environment and Sustainability Committee

Appendix F – Neighbourhood Services & Enforcement Committee