

Community Wellbeing & Housing Committee



16 January 2024

Title	<i>Draft Proposed Fees and Charges for 2024-25 for this Committee</i>
Purpose of the report	To make a decision and a recommendation to Corporate Policy & Resources Committee
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	<p>Committee is asked to:</p> <ol style="list-style-type: none"> 1. Review the proposed Fees and Charges for 2024-25 for this Committee. 2. Approve the proposed Fees and Charges for 2024-25 for this Committee. 3. Recommend to Corporate Policy & Resources Committee that they approve the proposed Fees and Charges for 2024-25
Reason for Recommendation	<p><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></p> <p><i>Council must approve and publish the 2024-25 Fees and charges on the Council website by 1 April 2024.</i></p>

1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> • The Council has a legal obligation to set the Fees and charges for 2024-25 and publish them on the Council's website by 1 April 2024. 	<ul style="list-style-type: none"> • As part of producing a balance budget the Fees & Charges raised from services provided are an important element of the Council's

<ul style="list-style-type: none"> • The Committee is asked to review, approve the proposed Fees and Charges for 2024-25 as set out in Appendix A to D for this Committee. • In 2023-24, the Cost-of-Living crisis was impacting on residents and Council decided to limit the discretionary price increase to 5%, well below the level of inflation. This year, the proposals is still to limit the discretionary Fees & Charges increase to 5%, except in exceptional circumstances, which is slightly above the predicted level of inflation, and allows the Council to partially recover the shortfall from 2023/24. 	<p>budget account for approximately 22.5% of its total annual Committee Services level Revenue income.</p> <ul style="list-style-type: none"> • To fulfil the Council’s statutory obligation to publish a schedule of its 2024-25 Fees & Charges on the Council website by 1 April 2024.
<p>This is what we want to do about it</p>	<p>These are the next steps</p>
<ul style="list-style-type: none"> • Take a view of the proposed Fees and Charges, which are based upon the guidance provided by the Corporate Policy & Resources Committee, i.e., all discretionary fees & charges are increased by at least 5% and all statutory fees & charges are increased to the maximum charge permissible. • Question Budget Managers about their recommendations, particularly where the proposed increase does not comply the above directive. • Focus on the Fees and Charges that yield substantial fees & charges, i.e., over £10,000. • Consider alternative options for the proposed fee & charge. • To ensure that all discretionary services breakeven, or are fully subsidised. • Consider strategies for increasing demand for the Council’s services 	<ul style="list-style-type: none"> • That this Committee review the proposed fees and charges for 2024-25 • Approve the proposed fees and charges for 2024-25 • Recommend that Corporate Policy & Resources Committee approve the proposed fees and charges for 2024-25

<p>and getting residents to use the Council's services more frequently.</p> <ul style="list-style-type: none"> • Seek to maximise the Council's income from Fees & Charges. 	
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2. Appendices explained.

2.1 There are three appendices included in this report.

2.2 **Appendix A** – shows the list of fees and charges that this Committee is responsible for.

2.3 The following is then shown for each fee and charge:

- (a) Record number – this is for internal control purposes only.
- (b) 2023-24 charge – the Council approved charge for the current financial year
- (c) 2024-25 charge - the proposed charge for 2024-25, to be approved by Council.
- (d) VAT status
 - i) S indicates the standard rate of VAT, currently 20% will be applied to the proposed fee or charge.
 - ii) O indicates zero rate for VAT, i.e., 0%, i.e., no VAT will be applied to the proposed fee or charge.
 - iii) E indicates exempt from VAT, i.e., it is outside the scope of VAT and will not incur any VAT charge.
- (e) Statute – indicates if the charge is either:
 - i) Discretionary, i.e., this Committee has full control over the amount proposed to be charged.
 - ii) Statutory, i.e., the range of proposed fees and charges are set by a third party, usually a central Government department, who provide a range of charge, i.e., a lower and upper limit. It is for this Committee to decide where the charge is set, with the proposed recommendation from Corporate Policy & Resources Committee that the council charges the maximum amount permitted by the third part.

2.4 **Appendix B** – Discretionary fees and charges income

- (a) This report shows by Committee the following for each fee and charge, noting appendix D below:
 - i) Actual Income received for 2022-23
 - ii) Budgeted income for 2023-24
 - iii) Actual income year to date for 2023-24, as at 31 October
 - iv) Proposed income for 2024-25
 - v) General ledger code – internal use only

- vi) Proposed percentage increase

2.5 Appendix C – Statutory Fees

- (a) This report shows by Committee the following for each fee and charge, noting appendix D below:
 - i) Actual Income received for 2022-23
 - ii) Budgeted income for 2023-24
 - iii) Actual income year to date for 2023-24, as at 31 October
 - iv) Proposed income for 2024-25
 - v) General ledger code – internal use only
 - vi) Proposed percentage increase

2.6 Major sources of income for this committee

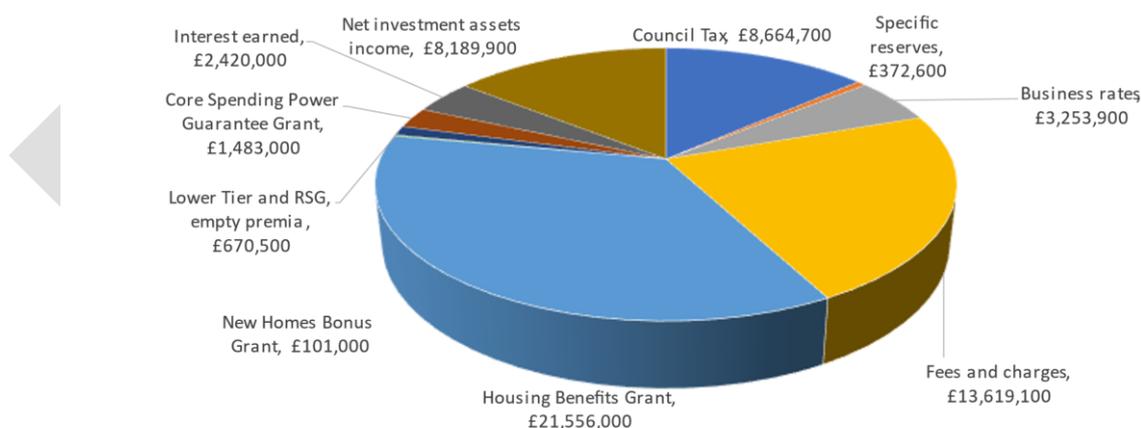
There are two major sources of income generating over £50,000 p.a.

- (a) Bed & Breakfast (Statutory)
- (b) Community Centres (Discretionary).

3. Key issues

- 3.1 The Council generates £13.6m in fees and charges, which represents 22.5% of the Council's budgeted income for 2023-24 and is an important part of balancing the 2024-25 budget, as shown in the chart below.

2023-24 Revenue Budget – How Gross £60.3m is funded



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- 3.2 Corporate Policy & Resources Committee (CPRC) requested that the following minimum increases in Fees and Charges be applied for 2024-25:

- (a) Five percent increase on discretionary fees and charges.
- (b) Maximum charged for all statutory fees and charges.

- 3.3 The Committee 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.

- 3.4 All 2024-25 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.
- 3.5 The Cost-of-Living Crisis has impacted on the Council's fees and charges income in real terms. The funding provided by the Government to assist during the pandemic, was withdrawn and last year (2023-24) Council proposed a 5% increase in discretionary fees, knowing that inflation would be more than this figure.
- 3.6 This was a deliberate decision to aid the residents of the Borough and soften the impact of the Cost-of-Living crisis.
- 3.7 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>
- 3.8 In presenting the proposed fees and charges for 2024-25 the Committee is acknowledging another challenging year for the Council as it strives to balance the 2024-25 budget.
- 3.9 Individual Committees are now required to discuss and reviewed the draft proposed fees and charges relating to the services under their remit and make their recommendations to Corporate Policy & Resources Committee.

4. Options analysis and proposal

- 4.1 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.

5. Financial management comments

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

6. Risk management comments

- 6.1 If Council does not approve the Fees and Charges for 2024-25 by 31 March 2024, at the latest, the Council will not be able to impose the Fees and Charges on the users of our service.
- 6.2 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.
- 6.3 The ongoing impact of the Cost-of-Living Crisis may present challenges for residents and local communities in paying for the Council's (fee paying) services. It is acknowledged earlier in this report that the Committee must perform a balancing act between maximising additional income that can be generated through fees and charges during financially challenging times and setting fee levels which are sustainable whilst not adversely impacting on volume of transactions with our residents and local businesses in the

Borough. Budget monitoring processes provide a mechanism to ascertain actual levels of fee income being received into the Council's accounts.

7. Procurement comments

7.1 There are none.

8. Legal comments

8.1 Please note that for Statutory Fees and Charges, the price is set centrally by third parties, usually central Government.

9. Other considerations

9.1 There are none.

10. Equality and Diversity

10.1 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.

11. Sustainability/Climate Change Implications

11.1 There are none.

12. Timetable for implementation

12.1 An aggregated report of all the Committees approved fees and charges will be sent to Corporate Policy & Resources Committee for final approval, before a report recommending the 2024-25 Fees and Charges is sent to council for their approval at the 22 February 2024 Council meeting.

12.2 Once agreed by Council, the fees and charges proposed are to be implemented from 1 April 2024.

13. Contact

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

Background papers: There are none.

Appendices:

Appendix A – List of individual fees and charges for this Committee

Appendix B – Schedule of Discretionary fees and charges showing:

- Actual income for 2022-23,
- Budgeted income for 2023-24
- Actual income year to date at 31 October for 2023-24
- Proposed budgeted income for 2024-25

Appendix C- Schedule of Discretionary fees and charges showing:

- Actual income for 2022-23,
- Budgeted income for 2023-24
- Actual income year to date at 31 October for 2023-24
- Proposed budgeted income for 2024-25