

Report Title:	Proposed increases to fees and charges
Contains Confidential or Exempt Information	No
Cabinet Member:	Councillor Jones, Cabinet Member for Finance
Meeting and Date:	Cabinet 29 th November 2023
Responsible Officer(s):	Elizabeth Griffiths, Executive Director for Resources Becky Hatch, Assistant Director for Strategy & Communications
Wards affected:	All

REPORT SUMMARY

At Cabinet on 27 September, an action plan was agreed in response to the serious financial position the council faces. One of the actions in the plan was to look to maximise income from fees and charges to help close the council's budget gap. The action plan was also subsequently agreed by Full Council.

It is in this context that this report invites Cabinet to agree the early adoption of increases to a range of fees and charges (F&C's) for the financial year 2024/25 as set out in Appendix A. It is proposed to increase fees and charges to the levels detailed in Appendix A from 1 January 2024, in order to assist with ameliorating the council's overall financial position and to help close the budget gap for the 2023/24 financial year. This would generate an estimated £0.160m (£0.411m including parking) of additional income for the council for the remainder of this financial year (up to 31 March 2024) with the full year benefit for the 2024/25 financial year estimated to be £0.639m (£2.273m including parking). This will be included in the draft budget report, coming to Cabinet in December.

The proposed changes in parking fees and charges are set out in Appendix B, and Cabinet is asked to agree for these to go out to public consultation in December, for implementation in February 2024, following consideration of consultation feedback. The package of parking changes would generate an estimated £0.251m of additional income for the council in 2023/24.

Please note that this report is being considered as an urgency item, following the agreement of the Chair of Corporate Overview & Scrutiny. This report was originally due to be part of the Draft Budget Cabinet Report, which will now be considered by Cabinet in December. The Fees and Charges report is being taken forward separately, to enable changes to fees and charges to be implemented according to the planned timetable, set out below. The separation of the two reports, meant that the Fees and Charges report was entered on to the Forward Plan, with less than the 28 day notice period.

1. DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That Cabinet notes the report and agrees:

- i) To increase fees and charges detailed at Appendix A, from 1st January 2024. This includes a wide range of fees and charges, but excludes parking.
- ii) To go out to public consultation on the proposed parking fees and charges set out at Appendix B, for 21 days, ahead of proposed implementation of revised fees and charges from February 2024.
- iii) Agrees that the Executive Director of Place Services in consultation with the Leader, Cabinet Member for Finance and Cabinet member for Highways and Transport, will approve revised parking fees and charges, following the end of the consultation period and analysis of the feedback; and implement these after the mandatory 28-day notice period.

2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

Options

Table 1: Options arising from this report

Option	Comments
To approve the proposed fees and charges set out at Appendix A for implementation from 1 st January 2024, and for the revised parking fees and charges set out at Appendix B, to go out to public consultation.	This is the recommended option
To amend the proposed schedule of fees and charges prior to implementation and / or public consultation.	Appendixes A and B sets out the recommended schedule of increases, following review and benchmarking with other local authorities.
To delay the timeline for consulting on and implementing the revised fees and charges.	It is proposed that increases in fees and charges are brought in ahead of the 2024/25 financial year, in order to assist with reducing overspend and balance this year's budget. A delay would negate this opportunity.
To not approve the proposed fees and charges in Appendix B.	The action plan for responding to the council's budget gap, agreed by both Cabinet and Full Council, includes maximising fees and charges. If not approved there will be significant pressure on the 2023/24 budget, which will require further savings or income generation in other areas.

3. KEY IMPLICATIONS

- 3.1 The financial outlook for RBWM continues to be very challenging, as set out in the Month 6 and 7 Budget Monitoring Reports, which are also being discussed by Cabinet. The council is taking urgent and continued action to reduce spend and generate income, but remains at risk of having to issue a Section 114 notice. Higher than expected inflation is driving increases in costs across all areas of council spend, including costs of placements, contracts, salaries, goods and services. The costs of servicing the council's £203m debt, have risen to £8m this year and will rise further in 2024/25. Increases in costs and demand, in particular within adult social care, children's services and housing have driven pressures on the 2023-24 budget, which was agreed in February 2023.
- 3.2 At Cabinet on 27 September, Members approved an action plan for response which included maximising income from fees and charges. Within this context, it is necessary for the council to consider options for maximising income, to address the budget shortfall in the current financial year, as well as for the 2024-25 financial year and beyond. We are exploring additional opportunities to generate commercial income, secure external grant funding and to bring in additional revenue from our buildings and assets. The council has also reviewed all of its fees and charges. The early implementation of increases to fees and charges is proposed, where this is possible, in order to generate increased income which will help to mitigate in year and 2024/25 budget pressures.
- 3.3 The Royal Borough continues to have the lowest council tax in the country, outside of London. The low level of council tax results in an inability to raise funds to the same amount as other councils and provides the council with a lower level of income with which to fund services. This means that we need to look to other sources of income, to allow us to achieve a balanced budget. Our residents benefit from having lower council tax bills than households in neighbouring areas. However, this needs to be balanced by generating revenue from higher fees and charges in other areas, in order to support the delivery of essential services.
- 3.4 The increases in fees and charges proposed in Appendices A and B have been calculated to take into account rates of inflation and the associated costs of providing services. Some fees are charged on a cost-recovery basis, and therefore any increases are calculated to reflect increased costs due to inflation and to accurately represent officer time. Other fees are discretionary, meaning that the council decides on the appropriate level. Whether a charge is discretionary or non-discretionary is indicated in Appendix A.
- 3.5 Where fees are discretionary, benchmarking has been undertaken to compare the proposed fees and charges with comparable local authorities and private sector providers, where relevant. Equality and socio-economic impacts have been considered with mitigation of negative impacts on disadvantaged groups, for example, through concessions, where appropriate. Where relevant, fees and charges are set to encourage behaviours which support the council's wider priorities. An Equality Impacts Assessment is included at Appendix C.

- 3.6 Changes to parking charges are set out at Appendix B. The changes include proposals to freeze parking charges in our two main town centre multi-storey car parks (Hines Meadow and Victoria Street) for the first three hours. This supplements our existing one hour free residents' parking offer at these car parks and selected others. This proposal encourages residents to enjoy leisure activities and shopping within their local town centre, and supports a thriving local economy. Within the consultation, we will present alternative options on resident parking permits, to gauge public views, before taking a final decision on charges. Both of these options presented include a tapering of charges, with second and third resident parking permits charged at a higher rate than the first permit, to ensure that we can keep charges lower for single car households.
- 3.7 Not all of our fees and charges will be changed before 1st April 2024 and a substantial number of non-discretionary fees and charges will remain unchanged for the next financial year. Those fees that are set by central government will either remain the same for the next financial year, or where there are increases, these will be implemented from 1st April 2024.
- 3.8 Some fees are still being discussed as part of the ongoing budget-setting process or wider policy reviews. These will be shared at February Cabinet, for agreement as part of the 2024-25 Budget and Medium Term Financial Plan. These include building regulations fees; scrap metal collection licenses; and taxi licensing. Licensing of Hackney Carriages and Private Hire Vehicles is linked to legislative changes on three-year licensing, and is currently under review, alongside wider consultation on livery and security checks.
- 3.9 Other fees have already been set for the academic or financial year, or sporting season, and an earlier than expected increase is therefore not recommended. These include home to school transport fees, which have been agreed for the academic year 2023-24; wedding venue licensing costs, which have been set for the financial year 2023-24; and fees for sports pitches and events. Proposed changes to fees and charges in these areas will be included within the wider Budget report coming to Cabinet in February 2024, and will be implemented for the 2024-25 Financial Year.
- 3.10 Some new charges are being proposed, for new services, or services which have been previously provided free of charge. In the main, these charges will not be implemented from 1st January, to enable engagement with relevant service users and to provide sufficient notice to those affected. However, some new charges, notably within planning, are included at Appendix A.

Table 2: Key Implications

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
Fees as set out in Appendix A, are increased on 1 st	Income generated by 1 st April 2024 <£0.41m	Income generated = £0.41m	Income generated >£0.41m	Income generated >£0.6m	1 January 2024

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
January 2024					

4. FINANCIAL CONTEXT:

4.1 The table below sets out the financial implications of increasing the fees and charges set out in Appendices A and B, in both the current financial year and 2024/25.

Table 3: Financial impact of report’s recommendations

REVENUE COSTS	2023/24	2024/25
Additional income	£0.411m	£2.273m

5. LEGAL IMPLICATIONS

5.1 Some services the council provides are mandatory and governed by specific legislation whilst other services provided are discretionary. Discretionary Services are those which the council is permitted to provide but not required to provide.

5.2 In the absence of specific powers or prohibitions on charging for services, the Council has the power to charge a person for discretionary services under Section 93 of the Local Government Act 2003 and under the power of general competence found in Section 1 of the Localism Act 2011. The Council cannot use these powers to make a profit, however the Council can include the full cost of all aspects of the service provision when calculating the costs.

5.3 The Council must ensure that taking one financial year with another the income from any charges for a service does not exceed the cost of providing the relevant service. Any surpluses or under recovery of income should be addressed through a regular review of the Fees and Charges Policy. Statutory Guidance ‘General Power for Best Value Authorities to Charge for Discretionary Services (2003)’ was issued by the Secretary of State which needs to be considered in the exercise of the charging powers and which addresses the above principles in greater detail.

5.4 Increases in parking fees and charges are subject to public consultation. The Road Traffic Regulation Act 1984 allows for parking tariff changes and minor changes to the charging period to be made by way of a Variation Order and made effective by publication of Notice. The Local Authorities’ Traffic Orders (Procedure) (England and Wales) Regulations 1996 which sets out the procedure we must follow, namely that the council must take appropriate steps to a) inform persons likely to be affected by the modifications; b) giving those persons an opportunity of making representations; and c) ensuring that any such representations are duly considered by the authority.

6. RISK MANAGEMENT

6.1 Failure to close the budget gap in 2023-24, would necessitate using reserves to balance the budget this financial year. This would reduce reserves for 2024-25 and beyond, and put the council at risk of being unable to maintain minimum levels of reserves and achieve a balanced budget.

7. POTENTIAL IMPACTS

7.1 **Equalities.** An Equality Impact Assessment is available at **Appendix C**. This draws out the equality implications of fees and charges increases, and shares mitigating actions where appropriate.

7.2 **Climate change/sustainability.** Promoting sustainability and tackling climate change are embedded within our decision-making process and inform decisions on a wide range of service areas, including parking and waste charges.

7.3 **Data Protection/GDPR.** There are no data protection implications for this report.

8. CONSULTATION:

8.1 Proposed changes to Parking fees and charges will be shared for public consultation for 21 days. Following analysis of feedback from the consultation, 28 days notice will be given of the final agreed increases. The consultation will be promoted through the RBWM Together online platform and shared through social media, the Residents Newsletter and with stakeholder groups.

8.2 In addition, services will undertake engagement with service users of specific services, to communicate the proposed increases in charges. This will include residents attending sessions at day centres.

9. TIMETABLE FOR IMPLEMENTATION:

Date	Activity
29-Nov-23	Cabinet
11-Dec-23	Start of consultation period: Parking Fees and Charges
01-Jan-24	Operation of early adopted Fees and Charges (except Parking)
	End 21-day consultation period (Parking Fees and Charges)
8 Jan-24	28 day notice period (Parking Fees and Charges)
5 Feb-24	Implementation of early adopted Parking Fees and Charges

10. APPENDICES

10.1 This report is supported by three appendices:

- **Appendix A** – Proposed increases in Fees and Charges
- **Appendix B** – Proposed changes to Parking fees and Charges for public consultation
- **Appendix C** – Equality Impact Assessment

11. CONSULTATION

Name of consultee	Post held	Date sent	Date returned
<i>Mandatory:</i>		<i>Statutory Officer (or deputy)</i>	
Elizabeth Griffiths	Executive Director of Resources & S151 Officer	16/11/23	21/11/23
Elaine Browne	Deputy Director of Law & Governance & Monitoring Officer	16/11/23	21/11/23
<i>Deputies:</i>			
Andrew Vallance	Deputy Director of Finance & Deputy S151 Officer		
Jane Cryer	Principal Lawyer & Deputy Monitoring Officer		
<i>Mandatory:</i>		<i>Equalities Officer – to advise on EQiA, or agree an EQiA is not required</i>	
Ellen McManus-Fry	Equalities & Engagement Officer	13/11/23	20/11/23
<i>Other consultees:</i>			
<i>Directors (where relevant)</i>			
Stephen Evans	Chief Executive	16/11/23	21/11/23
Andrew Durrant	Executive Director of Place	16/11/23	21/11/23
Kevin McDaniel	Executive Director of Adult Social Care & Health	16/11/23	16/11/23
Lin Ferguson	Executive Director of Children's Services & Education	16/11/23	20/11/23

Confirmation relevant Cabinet Member(s) consulted	All Cabinet Members consulted.	Yes
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REPORT HISTORY

Decision type:	Urgency item?	To follow item?
Non-key decision	Yes	No

Report Author: Becky Hatch, Assistant Director for Strategy and Communications
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