

Title: Fees and Charges 2024/25
Lead Officer: Tony Sidhu (01926 456810)
Portfolio Holder: Councillor Chilvers
Wards of the District directly affected: All

Approvals required	Date	Name
Portfolio Holder	12/10/2023	Councillor Chilvers
Finance	10/10/2023	Steven Leathley
Legal Services		
Chief Executive	10/10/2023	Chris Elliot
Director of Climate Change		
Head of Service(s)	10/12/2023	Andrew Rollins
Section 151 Officer	10/10/2023	Andrew Rollins
Monitoring Officer	10/10/2023	Graham Leach
Leadership Co-ordination Group		
Final decision by this Committee or rec to another Cttee / Council?	Recommendation to: Council on 15 November 2023 from Cabinet	
Contrary to Policy / Budget framework?	No	
Does this report contain exempt info/Confidential? If so, which paragraph(s)?	No	
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?	No	
Accessibility Checked?	Yes	

Summary

The report details the proposals for discretionary Fees and Charges in respect of the 2024 calendar year. It also shows the latest Fees and Charges 2023/24 income budgets, initial 2024/25 budgets and the actual out-turn for 2022/23.

Recommendation(s)

- (1) That Cabinet recommends to Council the Fees and Charges proposals set out in Appendix A to the report, to operate from 2 January 2024 unless stated otherwise.
 - (2) That Cabinet recommends to Council the changes proposed by Everyone Active to the core products and prices from January 2024 which are within the 2023 June RPI as per contract and agreed with the Sports and Leisure Manager.
 - (3) That Cabinet recommends to Council, then delegated authority for Head of Neighbour and Assets in conjunction with Portfolio Holder, to increase fees for Media services as Oakley Wood after 1 April 2024 (Appendix B 5.1.5).
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1 Reasons for the Recommendation

1.1 The Council is required to update its Fees and Charges in order that the impact of any changes can be fed into the setting of the budget for 2024/25. Discretionary Fees and Charges for the forthcoming calendar year have to be approved by Council.

1.2 Fees and Charges Guidelines

- 1.2.1 In accordance with the Financial Strategy and Code of Financial Practice it is appropriate to consider certain other factors when deciding what the Council's Fees and Charges should be:
- The impact of the Fees and Charges levels on the Council's Business Plan.
 - The level of prices the market can bear including comparisons with neighbouring and other local authorities.
 - The level of prices to be sufficient to recover the cost of the service and the impact on Council Finances, where this is not the case.
 - The impact of prices on level of usage.
 - The impact on the Council's future financial projections.
 - Ensuring that fees, in particular those relating to licensing, reflect the current legislation. The regulatory manager has to ensure that the fees charged should only reflect the amount of officer time and associated costs needed to administer them.
 - Whether a service is subject to competition from the private sector, such as Building Control. This service has to ensure that charges set remain competitive within the market.
 - Income generated from services including Building control, land charges and licensing is excluded from the Medium Term Financial Strategy and is managed through ring-fenced accounts, due to the legislation and criteria under which they operate.
 - Management of the Council's Leisure Centres is by Everyone Active. The contract definition states that 'The Contractor shall review the core products and prices in September of each year and submit any proposed

changes to the Authority for approval (the "Fees and Charges Report"). Appendix C outlines the core fees.

- 1.2.2 Managers have been challenged on ensuring income maximisation and cost recovery where appropriate, and have provided commentary on the rationale behind some of the charges highlighted below.

2 Alternative Options

2.1 The alternative options would be to either:

- 2.1.1 Leave all fees and charges at 2023 levels, or increase at a reduced level. This would increase the level of savings to be found over the next five years unless additional activity could be generated to offset this.
 - 2.1.2 Increase at a level higher than proposed in the report. Excessive increases could deter usage where the take up is discretionary. Customers may choose to use the service less frequently or use an alternative supplier where one is available. Options for meeting the 10% target were considered, including higher charges on parking, green waste or bereavement services. However, the judgement on each of these was that these prices were more than the market would likely to bear and could result in a loss of income and therefore are not recommended in this report.
- 2.2 Both of the above are considered not to be realistic options given the increased cost of delivering some services, the current position of the Financial Strategy, and the level of savings required.

3 Legal Implications

- 3.1 The fees proposed in the report are set in line with current legislation where applicable.

4 Financial Services

- 4.1.1 Within the savings proposals agreed by Council in December 2020, a target of 15% was agreed in respect of additional income generated from discretionary fees and charges for 2023/24, reverting back to 10% increase from 2024/25 onwards. Consequently, Budget Managers have been tasked with seeking to achieve this increase, with the exception for some fees and charges, where legislation and other factors may make it unviable. These have been set in accordance with such legislation and service knowledge provided by the managers. This is intended to make a contribution towards the savings that the Council needs to make in its overall Financial Strategy.
- 4.1.2 As a result the fees and charges outlined in Appendix A to the report present an overall forecast increase in General Fund income of £749,000, or 7.52%. This is due to last year's forecasts having been optimistically too high. Amounts totalling £721,000 have already been factored into the Medium Term Financial Strategy (MTFS), and therefore shows a £28,000 increase on the MTFS. This excludes the additional income from certain ring-fenced charges (Building Control, Licensing and Land Charges).

4.1.3 Appendix A also outlines an increase in income within the Housing Revenue Account of £77,100, or 13.41%. This will be factored into the HRA budgets and Business Plan.

4.1.4 The revenue effects of the proposed Fees and Charges are summarised in the following table (ring fenced accounts have been removed):

General Fund Services	Actual 2022/23 £ '000	Original Budget 2023/24 £ '000	Forecast 2023/24 £ '000	Proposed 2024/25 £ '000	Change Original 2023/24 - 2024/25 %
Safer Communities, Leisure & Environment Services	71	121	124	102	
Customer & Digital Services	54	55	55	61	
Housing – GF	155	30	30	581	
Neighbourhood & Assets	6,648	8,381	8,315	8,565	
Place, Arts & Economy	633	625	625	652	
Total General Fund Services	7,561	9,212	9,148	9,961	7.52%
Housing Revenue Account	593	575	575	652	13.41%

4.1.5 A breakdown of the key drivers of the 2024/25 Fees and Charges is provided in Appendix B, to the report.

4.1.6 Increased income from Fees and Charges will seek to ensure where possible the costs of the provision of respective services are covered. Any increases will reduce the ongoing savings target within the Financial Strategy.

4.2 The current forecasts for 2023/24 and 2024/25 will be reviewed within the Q2 Budget Monitoring Report (December 2023) and Budget setting Report (February 2024). Managers will also continue to review their projections on a monthly basis.

5 Business Strategy

5.1 In respect of Warwick District Council's Business Strategy this proposal will have the following relevance and impact as set out below

5.1.1 People – Health Homes, Communities

5.1.2 Services – Green, Clean, Safe

5.1.3 Money – Infrastructure, Enterprise, Employment

5.1.4 People – Effective Staff

5.1.5 Services – Maintain or Improve Services. The Council's Budget seeks to allocate the Council's financial resources to ensure the Council's services continue to be provided in accordance with Council policies and priorities, and resources for projects are similarly prioritised.

5.2 Money - Firm Financial Footing over the Longer Term. The Council's Medium

Term Financial Strategy seeks to allocate the Council's financial resources to ensure the Council's services continue to be provided in accordance with Council policies and priorities, and resources for projects are similarly prioritised.

6 Environmental/Climate Change Implications

6.1.1 Not applicable.

7 Analysis of the effects on Equality

7.1 The impact of Fees and Charges (and possible increases) are assessed by Service Area managers, with concessions offered in some areas to ensure all residents are able to access these services, if required.

8 Data Protection

8.1.1 Not applicable.

9 Health and Wellbeing

9.1.1 Not applicable.

10 Risk Assessment

- 10.1 Increasing prices could deter usage where the take up is discretionary. Customers may choose to use the service less frequently or use an alternative supplier where one is available.
- 10.2 An inflationary increase has been assumed within the Council's MTFS for increases to discretionary fees and charges. However, inflation may prove to be higher than this in 2024, with the Council's costs of providing the service increasing more than inflation.
- 10.3 Future social and economic changes cannot be foreseen and the uncertainty surrounding the implications of the cost of living crisis, market uncertainty and the long term impact of COVID-19 remain. Customer behaviours that have changed as a result of the impact of COVID-19 may remain going forwards, with many employees continuing to work from home where possible, reducing the reach of some fee charging services. Further pressures within the wider economy may result in a decline in the Council's income, which if not replaced, would have implications for the MTFS. It will be important for the Council to identify opportunities that could also generate additional income.
- 10.4 Managers will review activity levels over the next few months, with any revised forecasts being built into the Final 2024/25 Budgets presented to Members in February 2024. Budgets are monitored and reviewed by Managers on at least a monthly basis throughout the year, with formal reports to Cabinet on a quarterly basis.

Background papers:

Fees and Charges 2022/23 (Cabinet 03 November 2022 – Item 4) to Council 23 November 2022

Q1 Budget Report 2023/24 (Cabinet 09 August 2023 – Item 6) to Council 26 September 2023

Supporting documents:

WDC Code of Financial Practice