

Title: Fees and Charges 2022/23  
Lead Officer: Andrew Rollins (01926 456013)  
Portfolio Holder: Councillor Hales  
Wards of the District directly affected: All

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## Summary

The report details the proposals for discretionary Fees and Charges in respect of the 2022 calendar year. It also shows the latest Fees and Charges 2021/22 income budgets, initial 2022/23 budgets and the actual out-turn for 2020/21.

## Recommendation(s)

- (1) That Cabinet recommends to Council the Fees and Charges proposals set out in Appendix A, to operate from 3rd January 2022 unless stated otherwise.
  - (2) That Cabinet recommends to Council that provided the changes proposed by Everyone Active to the core products and prices from January 2022 are within the September RPI, that the Heads of Culture and Finance, in consultation with the relevant portfolio holders (Cllrs Bartlett and Hales), can accept the changes.
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## 1 Background/Information

- 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 2022/23. Discretionary Fees and Charges for the forthcoming calendar year have to be approved by Council.
- 1.2 In the current financial climate, and with the impact of COVID-19 still being felt throughout the Council and its services, it is important that the Council carefully monitors its income, eliminates deficits on service specific provisions where possible and minimises the forecast future General Fund revenue deficit.
- 1.3 **Fees and Charges Guidelines**
  - 1.3.1 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.

1.3.2 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 available to Cabinet**

2.1 The alternative options would be to either:

2.1.1 Leave fees and charges at 2021 levels, or increase at a reduced level. This would increase the savings to be found over the next five years unless additional activity could be generated to offset this. required.

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.

2.2 Both of the above are not realistic options given the current position of the Financial Strategy, and the level of savings required.

## **3 Consultation and Member's comments**

3.1 The report has been developed in consultation with senior members and the proposals have been considered as part of the formal forward plan deadlines process.

## **4 Implications of the proposal**

### **4.1 Legal/Human Rights Implications**

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

### **4.2 Financial**

4.2.1 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. 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, with the timeline for making significant savings being significantly reduced due to the impact of COVID-19.

4.2.2 As a result of this the fees and charges outlined in Appendix A present an overall forecast increase in income of £828,000, or 13.8%. Amounts totalling £398,800 have already been factored into the MTFS (£153,800 inflation uplift and £245,000 as per service initiatives programme), with the additional income to be incorporated into the Medium Term Financial Strategy totalling £429,200. This excludes the additional income from certain ring-fenced charges (Building Control, Licensing and Land Charges).

4.2.3 Appendix A also outlines an increase in income within the Housing Revenue Account of £117,000, or 26.6%. This will be factored into the HRA budgets and Business Plan.

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

(Please note this table will be updated through the draft process to reflect the new organisational structure)

<b>General Fund Services</b>	<b>Actual 2020/21 £ '000</b>	<b>Original Budget 2021/22 £ '000</b>	<b>Forecast 2021/22 £ '000</b>	<b>Forecast 2022/23 £ '000</b>	<b>Change Original 2021/22 - 2022/23 %</b>
ICT	35	30	20	45	50%
Culture	57	229	229	246	7.1%
Place & Economy	233	287	262	309	8%
Development	50	72	71	82	14%
Comm. Protection	18	27	27	31	15.7%
Housing	33	23	26	28	18%
Environment & Ops	3,350	5,342	5,488	6,098	14.1%
<b>Total General Fund Services</b>	<b>3,776</b>	<b>6,010</b>	<b>6,122</b>	<b>6,838</b>	<b>13.8%</b>
<b>Housing Revenue Account</b>	<b>415</b>	<b>440</b>	<b>537</b>	<b>557</b>	<b>26.6%</b>

4.2.5 A breakdown of the key drivers of the 2022/23 Fees and Charges is provided in Appendix B.

4.2.6 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.

4.2.7 The current forecasts for 2021/22 and 2022/23 will be reviewed within both the Base Budget Report (December) and Budget setting Report (February 2022). Managers will also continue to review their projections on a monthly basis.

### 4.3 **Council Plan**

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

#### **External:**

4.3.2 People - Health, Homes, Communities. Fees and Charges provide income towards the cost of providing excellent services which support, for example, health, sporting and cultural activities alongside core services across the District.

4.3.3 Services - Green, Clean, Safe. A number of fees and charges have been set or established to support the objective of becoming a net-zero carbon organisation, and also supporting the District in achieving this target by 2030.

4.3.4 Money - Infrastructure, Enterprise, Employment. The fees and charges outlined in the Appendices aimed to support a dynamic and diverse local economy, through vibrant town centres with increased employment and income levels across the District.

#### **Internal:**

4.3.5 People – Effective Staff. Not applicable.

4.3.6 Services – Maintain or Improve Services. Generating income ensures services can invest in modern processes and equipment to meet customer needs and provide the service in an efficient and effective way.

4.3.7 Money - Firm Financial Footing over the Longer Term. Ensuring appropriate fees and charges are set to provide a better return/use of our assets; full cost accounting; continued cost management; maximise income earning opportunities and to seek best value for money.

### 4.4 **Environmental/Climate Change Implications**

4.4.1 Not applicable.

### 4.5 **Analysis of the effects on Equality**

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

### 4.6 **Data Protection**

4.6.1 Not applicable.

### 4.7 **Health and Wellbeing**

4.7.1 Not applicable.

## **5 Risk Assessment**

5.1 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.

5.2 An inflationary increase has been assumed within the Council's Medium Term Financial Strategy for increases to discretionary fees and charges. However, inflation may prove to be higher than this in 2022, with the Council's costs of providing the service increasing more than inflation.

- 5.3 Future social and economic changes cannot be foreseen and the uncertainty surrounding the implications of COVID-19 and Brexit 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.
- 5.4 Managers will review activity levels over the next few months, with any revised forecasts being built into the Final 2022/23 Budgets presented to Members in February 2022. 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.

## **6 Conclusion/Reasons for the Recommendation**

- 6.1 The recommendations will enable the Council to continue to offer and deliver services while reducing and eliminating deficits on specific service provisions, supporting the overall financial position of the Council going forward.

### **Background papers:**

Fees and Charges 2021/22 (Cabinet 17 November 2020 – Item 3)

### **Supporting documents:**

Appendix A – Detailed fees and charges

Appendix B – Breakdown of charges

Appendix C – Leisure Centre Core Fees

### Report Information Sheet

Please complete and submit to Democratic Services with draft report

<b>Committee/Date</b>	Cabinet – 4 November 2021	
<b>Title of report</b>	Fees and Charges 2022/23	
<b>Consultations undertaken</b>		
<b>Consultee *required</b>	<b>Date</b>	<b>Details of consultation /comments received</b>
<b>Ward Member(s)</b>		
<b>Portfolio Holder WDC</b>	25/10/21	Councillor Hales
<b>Financial Services *</b>	25/10/21	Andrew Rollins
<b>Legal Services *</b>		
<b>Other Services</b>		
<b>Chief Executive(s)</b>	25/10/21	Chris Elliot
<b>Head of Service(s)</b>	25/10/21	Mike Snow
<b>Section 151 Officer</b>	25/10/21	Mike Snow
<b>Monitoring Officer</b>	25/10/21	Andrew Jones
<b>CMT (WDC)</b>		
<b>Leadership Co-ordination Group (WDC)</b>		
<b>Other organisations</b>		
<b>Final decision by this Committee or rec to another Ctte/Council?</b>		Recommendation to :Cabinet / Council F&A Committee
<b>Contrary to Policy/Budget framework</b>		No
<b>Does this report contain exempt info/Confidential? If so, which paragraph(s)?</b>		No
<b>Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?</b>		No
<b>Accessibility Checked?</b>		Yes