

Title: Fees and Charges 2023/24
Lead Officer: Tony Sidhu (01926 456810)
Portfolio Holder: Councillor Hales
Wards of the District directly affected: All

Summary

The report details the proposals for discretionary Fees and Charges in respect of the 2023 calendar year. It also shows the latest Fees and Charges 2022/23 income budgets, initial 2023/24 budgets and the actual out-turn for 2021/22.

Recommendation(s)

- (1) That Cabinet recommends to Council the Fees and Charges proposals set out in Appendix A, to operate from 2nd January 2023 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 2023 are within the September RPI, that the Heads of Community, Environment & Leisure Services 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 2023/24. 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 available to Cabinet

2.1 The alternative options would be to either:

2.1.1 Leave all fees and charges at 2022 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 increased cost of delivering some services, 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 through established forums 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.

4.2.2 As a result the fees and charges outlined in Appendix A present an overall forecast increase in General Fund income of £2,300,500, or 33.29%. Amounts totalling £1,798,000 have already been factored into the MTFs. This includes the increase in forecast income from green waste permits as outlined in the Q1 Budget Review Report approved by members in September. The additional income to be incorporated into the Medium Term Financial Strategy totals £502,500. 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 £18,000, or 3.2%. 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)

General Fund Services	Actual 2021/22 £ '000	Original Budget 2022/23 £ '000	Forecast 2022/23 £ '000	Forecast 2023/24 £ '000	Change Original 2022/23 - 2023/24 %
Community, Environment & Leisure Services	78	102	86	121	
Customer & Digital Services	40	45	45	55	
Housing – GF	63	28	29	30	
Neighbourhood & Assets	5,510	6,171	7,293	8,381	
Place, Arts & Economy	471	565	568	625	
Total General Fund Services	6,161	6,912	8,021	9,212	33.29%
Housing Revenue Account	560	557	557	575	3.23%

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 2022/23 and 2023/24 will be reviewed within both the Base Budget Report (December) and Budget setting Report (February 2023). 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 2023, 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 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.
- 5.4 Managers will review activity levels over the next few months, with any revised forecasts being built into the Final 2023/24 Budgets presented to Members in February 2023. 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 2022/23 (Cabinet 4 November 2021 – Item 5)

Q1 Budget Report (Cabinet 29 September 2022 – Item 4)

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

Committee/Date	Cabinet – 3 November 2021	
Title of report	Fees and Charges 2023/24	
Consultations undertaken		
Consultee *required	Date	Details of consultation /comments received
Ward Member(s)		
Portfolio Holder WDC		Councillor Hales
Financial Services *		Steven Leathley
Legal Services *		
Other Services		
Chief Executive(s)		Chris Elliot
Head of Service(s)		Andrew Rollins
Section 151 Officer		Andrew Rollins
Monitoring Officer		Andrew Jones
CMT (WDC)		
Leadership Co-ordination Group (WDC)		
Other organisations		
Final decision by this Committee or rec to another Ctte/Council?		Recommendation to :Cabinet / Council O&S Committee
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