

Cabinet

Excerpt of the Minutes of the meeting held on Thursday 3 November 2022 in the Town Hall, Royal Leamington Spa at 6.00 pm.

Present: Councillors Day (Leader), Bartlett, Cooke, Falp, Grainger, Hales, Matecki, Rhead, and Tracey.

Also Present: Councillors: Boad (Liberal Democrat Group Observer), Davison (Green Group Observer), Mangat (Labour Group Observer), and Milton (Chair of Overview & Scrutiny Committee).

51. **Declarations of Interest**

There were no declarations of interest made.

Part 1

(Items upon which a decision by the Council was required)

53. **Fees and Charges 2023/24**

The Cabinet considered a report from Finance which detailed the proposals for discretionary Fees and Charges in respect of the 2023 calendar year. It also showed the latest Fees and Charges 2022/23 income budgets, initial 2023/24 budgets and the actual out-turn for 2021/22.

The recommendations would 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.

The Council was required to update its Fees and Charges in order that the impact of any changes could be fed into the setting of the budget for 2023/24. Discretionary Fees and Charges for the forthcoming calendar year had to be approved by Council.

In accordance with the Financial Strategy and Code of Financial Practice, it was 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 could 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 was 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, reflected the current legislation. The regulatory manager had to ensure that the fees charged should only reflect the amount of officer time and associated costs needed to administer them.

- Whether a service was subject to competition from the private sector, such as Building Control. This service had to ensure that charges set remained competitive within the market.
- Income generated from services including Building Control, land charges and licensing was excluded from the Medium Term Financial Strategy and was managed through ring-fenced accounts, due to the legislation and criteria under which they operated.
- Management of the Council's Leisure Centres was by Everyone Active. The contract definition stated 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 to the report outlined the core fees.

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

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 had been tasked with seeking to achieve this increase, with the exception for some fees and charges, where legislation and other factors might have made it unviable. These had been set in accordance with such legislation and service knowledge provided by the managers. This was intended to make a contribution towards the savings that the Council needed to make in its overall Financial Strategy.

As a result, the fees and charges outlined in Appendix A to the report presented an overall forecast increase in General Fund income of £2,300,500, or 33.29%. Amounts totalling £1,798,000 had already been factored into the MTFS. This included 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 totalled £502,500. This excluded the additional income from certain ring-fenced charges (Building Control, Licensing and Land Charges).

Appendix A to the report also outlined an increase in income within the Housing Revenue Account of £18,000, or 3.2%. This would be factored into the HRA budgets and Business Plan.

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

(Please note this table would 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%

A breakdown of the key drivers of the 2022/23 Fees and Charges was provided in Appendix B to the report.

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

The current forecasts for 2022/23 and 2023/24 would be reviewed within both the Base Budget Report (December) and Budget setting Report (February 2023). Managers would also continue to review their projections on a monthly basis.

In terms of alternative options, one was to 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.

Another option was to increase at a level higher than proposed in the report. Excessive increases could deter usage where the take up was discretionary. Customers might choose to use the service less frequently or use an alternative supplier where one was available.

Both of the above were not realistic options given the increased cost of delivering some services, the current position of the Financial Strategy, and the level of savings required.

An addendum circulated prior to the meeting advised of the following amendments to the report:

‘To remove the following from Appendix B, Section 6.2.6 ‘Free parking for electric vehicles in council car parks can be obtained through a season pass’.

The free EV parking trial permit was withdrawn earlier this year. Usage information was not possible to track, it was a trial and with nearly 1,000 permits subscribed, clearly indicating it was popular as free parking was allowed in all car parks. The scheme was for 12 months from August 2020 but extended to the end of April 2022.

To amend and replace the proposed car park charges in Appendix A with the following single charge:

Car parks: Station Approach, Bath Place, Court Street and Packington Place:

Proposed charge: £3 all day from 2nd January 2023”.

The fees and charges review meeting:

1. Thanked officers for their work on the report and responses to the volume of questions that came through.
2. Recognised that the Council was dependent on the professional judgement of Officers and Portfolio Holders on Fees & Charges and that there was no perfect solution.
3. Recognised the potential financial challenges faced by the community over the next 12 months and it was keen that services remained accessible to them.
4. Recognised the overall financial challenge for the Council and this was one of three strands of the budget, the others being the government and Council Tax setting.
5. Recognised the challenges faced with elasticity of demand in that if fees were reduced in one area it may (or may not) result in increased demand that equated to extra income (above that anticipated from the proposed higher fee) from increased usage.
6. Asked that Officers looked at opportunities to reduce the impact of the increases in sports facilities by keeping any increase below 15% to increase demand, especially being mindful of the legacy of the Commonwealth Games.
7. Asked Officers and Portfolio Holders to look for additional sources of income around potential sponsorship of works or assets or their maintenance.

The Leader stated that the Council had declared a Climate Emergency, and there work had been done to bring policies in alignment to that overall strategic objective. One of the proposals if he was still in the next Council, was to enable carbon-based parking charges to provide discounts to those that contributed less carbon and air pollution to the area. The Council was also going to be called upon to invest in improving facilities that enabled people to cycle in and park their bikes. Finally, the business model needed to work because the Council could not end up in the same place where

there were car parks that could not be replaced because there was a lack of sufficient income to put into reserves to maintain them, specifically Covent Garden and Linen Street car parks. The legacy of not charging the right amount for parking was the inability to have the capital to invest in those car parks.

Councillor Hales thanked the Resources Programme Advisory Board (PAB), and the Leadership Co-ordinating Group for their support, and highlighted the benefit of cross party working. In response to a question from Councillor Davison regarding promoting Electric Vehicles, he had been speaking to officers and this was something that would go through the PABs. He proposed an additional recommendation that there should be free car parking across all WDC car parks for every Sunday in December 2022. This was with a view to supporting businesses within the Town Centres in Warwick District by encouraging people into the Town Centres. When this would come to Council, it would include:

- (a) Details of the anticipated loss of income over this period as a result
- (b) Detail of any proposal to fill that funding gap within the Council.
- (c) If a reserve is used to fund the gap this would create, the Council should also be provided detail of the risk associated with using that reserve (i.e. how it would be replenished, what chance there was to need that funding before it being replenished and the constraints imposed on that reserve).
- (d) Details of any monitoring that would be put in place to look at usage of the scheme.

Councillor Hales also proposed to open Riverside House Car Park to the public at weekends (without charge) in December 2022 to help increase capacity in the Town over this busy period and encourage more people to shop in Royal Leamington Spa Town Centre.

Councillor Hales proposed the report as laid out, subject to the addendum and along with the additional recommendations above.

Recommended to Council that

- (1) the Fees and Charges proposals set out in Appendix A, to operate from 2nd January 2023 unless stated otherwise, be approved;
 - (2) provided the changes proposed by Everyone Active to the core products and prices from January 2023 are within the September RPI, the Heads of Community, Environment & Leisure Services and Finance, in consultation with the relevant Portfolio Holders (Councillors Bartlett and Hales), can accept the changes; and
 - (3) there is free car parking across all WDC car parks for every Sunday in December 2022. This is with a view to support businesses within the Town Centres in Warwick District by
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encouraging people into the Town Centres.
When this comes to Council it will include:

- (a) details of the anticipated loss of income over this period as a result;
- (b) detail of any proposal to fill that funding gap within the Council;
- (c) if a reserve is used to fund the gap this creates, the Council should also be provided detail of the risk associated with using that reserve (i.e. how will it be replenished, what chance there was to need that funding before it being replenished and the constraints imposed on that reserve); and
- (d) details of any monitoring that will be put in place to look at usage of the scheme.

Resolved that Riverside House Car Park be open to the public at weekends (without charge) in December 2022 to help increase capacity in the Town over this busy period and encourage more people to shop in Royal Leamington Spa Town Centre.

(The Portfolio Holders for this item was Councillor Hales)
Forward Plan Reference 1,311.