

Report to: Cabinet

Date of Meeting: 4 December 2023

Report Title: Fees and Charges

Report By: Kit Wheeler, Chief Finance Officer

Purpose of Report

This is the annual review of the Council's fees and charges.

Recommendations

- 1. Fees and Charges be increased by a minimum of 10% except where there are clear reasons for not doing so, or where charges are on a statutory basis.**
- 2. Fees and charges proposed by services be agreed.**

Reasons for Recommendations

The Council relies on income from fees and charges to provide services and supplement Government funding where this does not fully cover the cost of the service, we as a Council provide. Historically costs have continued to increase whilst central funding decreases.

Background

1. The Council provides a wide range of services to the local community and visitors for which it can make a charge – either under statutory powers (set by the Government) or discretionary (set by the Council).
2. The purpose of the Fees and Charges Strategy is to provide a framework and set out the key principles to be adopted in the annual review and setting Fees and Charges.
3. It is important for the Strategy to become embedded and linked to the Council's Medium Term Financial Strategy (MTFS). It should also compliment the Council's key objectives and priorities, i.e., as reflected in specific subsidies and concessions where there is a need to ensure comprehensive participation by the local community.
4. The main focus of the Fees and Charges strategy is on discretionary charges, i.e., where the Council can exercise some degree of control. The aim is to ensure that the Council makes optimum use of its charging powers having regard to its core priorities and objectives. This will help to fulfil its place-shaping responsibilities.
5. It is imperative that we find an equilibrium between increasing our fees and charges to aid our services to deliver what they need to, whilst recognising that the wider, potentially, negative social and economic impact on our residents will be far greater over the next couple of years and needs to be taken into consideration.
6. The Council is recommended, as best practice, to consider its fees and charges in a context that is wider than simply income generation. To that end Councils are encouraged to produce a fees and charges strategy against which annual reviews are considered.

Introduction

7. A Fees and Charges strategy has been in place for a number of years. This has been updated for 2024/25 and is included in Appendix A.
8. The Council's total fee income budget for 2024/25 amounts to c.£6.8m. To protect the real value of this income the Council needs to review its fees and charges on an annual basis.
9. Each service has been asked to review its fees and charges with a suggested increase of 10% increase in mind or to provide justification as to why a lower increase is recommended.
10. Ordinarily to maintain the value of fees and charges income, the minimum increase should reflect inflation – based on the retail price index.
11. Therefore, a comparison between previous years can be found below for reference.

	October 2021	October 2022	October 2023
RPI (%)	6.0	13.4	6.1

12. A decision was taken earlier in the financial year corporately for planning purposes to apply a recommended rate of increase of 10%. This was based on an estimated rate of RPI being around 7% + 3% additional charge.
13. The additional charge was designed to mitigate any variations from the October RPI to cover any previous year's negative fluctuations. For example, as part of the previous fees and charges work the RPI rate used has seen mixed success over the previous financial years.
14. For example, the rate applicable for fees and charges for 2023/24 financial year have averaged at 9.5% RPI year to date but has been as high as 11.4% in April this financial year.
15. Fees and charges in 2022/23 had a base rate set of 3.9% after basing the uplift for the forthcoming year on Julys RPI figure with an actual financial year average of 12.8%.
16. The average rate is only a guiding principle in terms of approach, and service areas are encouraged to put forward their views and consult on the actual rate applied in order to set the most appropriate and realistic fee for individual services the Council provides.
17. This will allow for other factors to be considered such as the local economy not being as a strong as expected and broader economic stagnation. This could also result in a pricing structure to protect the most vulnerable as well as reviewing what services cost to run.
18. Historically the council has tried to keep any increases to a minimum to reduce the impact on residents and visitors to the town. Last year's average increase of 10% did, rightly factor in the anticipated global events that we have experienced over the past financial year.
19. The Council can no longer absorb increases due to inflation and needs to be able to recoup any additional costs from its fees and charges.
20. The figure being calculated as part of this piece of work is again based on the markets future expectations around cost pressures and inflation rates for the next twelve months.
21. Whilst many of the fees and charges become effective from the new financial year, some fees, and charges, for regulatory and consultation purposes, need to be communicated in advance of this report and agreed under delegated authority. An example of this is Beach Huts where communication has already taken place with those impacted.
22. The changes made as part of this process are not made without due challenge and consideration to the impact that they will have on our residents and visitors to the Town.
23. This rigorous process whereby senior politicians have been involved in scrutinising each charge has been a significant time commitment and seen as a priority over the past few months.

24. However, it is believed that these decisions, no matter how difficult to make, will allow us as a Council to continue to provide the excellent services that our citizens have come to expect from us, whilst helping to maintain our financial resilience which under the current circumstances is more challenging than ever.

Allotments

25. Allotment fees are subject to the Allotments Act 1950, which states under Section 10(1) “the minimum increase in rent will reflect inflation based upon the Retail Price Index (RPI) at that time”. And the recommendation is that current fees are raised by 7%.

26. However, it should be noted that each tenancy agreement has a different level of fees currently charged. There are 651 plots, the cost of each plot depends on the on the number of rods or proportion therein.

Beach Huts & Chalets

27. It is agreed that Beach Huts and Chalets are increased by 12%.

Car Parking

28. It is proposed that car parking charges will be increased by the recommended minimum of 10% across the winter and summer tariffs, with the exception of Pelham Place and Rock-a-Nore car parks which will have a 20% increase in the summer tariff. These two car parks are Foreshore Trust owned and this will need to be separately agreed by the Charity Committee.

29. In addition, the renewal of the RingGO contract will require a change in the way transaction fees are charged, with the 20p transaction fee passed to the customer when using the RingGo App or automated line. Currently the cost to the council is 8p for every RingGo transaction made. This would be an automatic saving of at least £42K per year to the council based on a similar amount of RingGo transactions as there were in 2022/23.

30. It is proposed not to increase the car parking charges for Summerfield’s and Falaise and remain at current pricing. Usage has decreased and increase in charges along with the RingGo transaction customer fee will lead to a disproportionate increase and may affect leisure facilities usage.

Cemetery & Crematorium

31. Charges to increase mostly by 10% RPI with the exception of the use of Chapel for a memorial service only, without cremation or burial on our premises. which is proposed to be increased by 39.8%.

32. Child fees are set at half adult fees. These are to be claimed back from the government’s Children’s Funeral Fund. This is purely an administration requirement to include as part of the Councils Fees and Charges list and has no impact on the family i.e., the impacted family would not bear any of these costs.

East & West Cliff Railways

33. Charges to the East and West Hill Lift are proposed to increase between 11.9% and 42.9%, This has been necessitated due to recent high investment and long-term cost of running the service.
34. It is also proposed that the weekly family tickets cease, as the Adult and Child season tickets will afford regular users' better value.

Events

35. Having benchmarked our fees and charges against other local authorities it is recommended that most are increased in line with RPI at 10% plus 5% to cover the increase in energy and other associated costs. However, booking fees for local organisations will not be increased.
36. For major commercial events, fees should be 25% of the total booking value if that value exceeds the basic proposed fee agreed on application.

Garden and Bulky Waste

37. It is proposed that Garden Waste for the next financial year increase by 12%, and that bulky waste is not increased.

Licensing

38. It is only possible to increase a small number of the fees and charges by the proposed increase of 10% RPI, all others are fixed internally to ensure that the fees and charges do not exceed the cost of providing the service. Others are fixed externally and set by the Secretary of State or are at the Maximum level set by the Government.

Pest Control

39. It is proposed to increase these fees and charges by 10% RPI for domestic premises and general charges and keep the percentage reduction for concession rates the same as previous years.

Miscellaneous Environmental Health Fees

40. For those charges that can be increased, it is proposed to increase by 10% RPI. The majority of fees and charges cannot be increased as they are fixed statutory fees.

Museum & Art Gallery

41. The fees to be increased as follows:

1. Ceremonies	Current	Proposed	Increase
i. Ceremony	£475.00	£525.00	10.5%
ii. Ceremony + Refreshments	£800.00	£880.00	10.0%
iii. Ceremony + Reception	£1,250	£1,250	0%
2. Room (per room/per hour)	Current	Proposed	Increase
i. Charities/Local Groups, 10am-5pm	£20.00	£22.00	10.0%
ii. Charities/Local Groups, from 5pm	£60.00	£66.00	10.0%
iii. Commercial, 10am-5pm	£30.00	£33.00	10.0%
iv. Commercial, from 5pm	£100.00	£110.00	10.0%

Planning Services

42. No planned changes to Local Land Charges or Statutory fees and services as this is not permitted where they are statutorily set or exceed the cost of providing the service.

43. Other discretionary services such as Street Naming and Numbering has been proposed to be increased by the recommended 10% or more, where there has been in a change in the nature of the service provided or an increase in the resource requirements to deliver the service.

Sports Pitches

44. It is proposed that fees and charges increase at the recommended 10% level except in the case of Football pitches and multi use games areas, where no increase is proposed.

Overview

45. All Fees and Charges are listed in Appendix B and C and will vary in their percentage increase for various factors. One example for this variance could be for example, where a service wishes to keep to a 'round' amount for ease and experience of customers as well as making it easier for staff and system changes.

46. As a result, some of the changes are higher than the recommended 10% as well as lower, where decisions were made to 'round'.

Financial Implications

47. There are implications for the Council should it choose not to increase fees and charges. The Council is effectively cash limited through the level of government grant it receives and the "cap" on the level of Council Tax it can raise.

48. The total proposed increase in Fees and Charges in 2024/25 will potentially lead to an estimated Income budget increase of c.£120k, although actual final amount will be confirmed as part of budget setting.
49. If fees and charges are not increased as recommended, then to achieve a balanced budget in future years the Council's options are as follows:
- Make further efficiencies.
 - Cut services more deeply to meet overall financial demands.
 - Use up the limited reserves it has, quicker than the current Medium Term Financial Strategy is forecasting.

Timetable of Next Steps

50. Please include a list of key actions and the scheduled dates for these:

Action	Key milestone	Due date (provisional)	Responsible
Advise service users of increased fees	Date Fees increase	1 January 2024 or 1 April 2024 depending on fee	SLT
Build increased income into budget	2024/25 Budget	February 2024	Chief Finance Officer

Wards Affected

All

Policy Implications

Reading Ease Score: 12.2

Have you used relevant project tools: N

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	Y
Crime and Fear of Crime (Section 17)	N
Risk Management	N
Environmental Issues & Climate Change	Y
Economic/Financial Implications	Y
Human Rights Act	N
Organisational Consequences	N
Local People's Views	Y
Anti-Poverty	Y

Additional Information

Appendix A - Fees and Charges Strategy
Appendix B – Fees and Charges (Exc. Parking)
Appendix C – Parking Fees and Charges

Officer to Contact
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