

Report to: Cabinet

Date of Meeting: 4th January 2022

Report Title: Fees and Charges

Report By: Kit Wheeler, Chief Accountant

Key Decision: Y

Classification: Open

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 3.9% 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's total fee income budget for 2021/22 amounts to c.£6.5m (including car park charges). To protect the real value of this income the Council needs to review its fees and charges on an annual basis.
2. 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 Council's are encouraged to produce a fees and charges strategy against which annual reviews are considered.
3. The last couple of financial years has seen unprecedented pressure on our Council's financial resources, specifically around loss of income from our fees and charges as a result of Covid-19. This has meant that the Council has had to carefully consider the future options when it comes to price variation and future pricing strategies.
4. As part of the Government's Sales, Fees and Charges compensation scheme the council has been able to reclaim some lost income for all of 2020/21, in 2021/22 we have only been able to submit a claim in respect of the first three months of 2021/22 which amounts to some £53,000.

Introduction

5. A strategy has been in place for a number of years. This has been updated for 2022/23 and is included in Appendix A. The fees and charges schedules have been updated to give a consistent style and a single recommendation to make it easier for Councillors to review and approve.
6. Each service has been asked to review its fees and charges with a 3.9% increase in mind or to provide justification as to why a lower increase is recommended. Ordinarily to maintain the value of fees and charges income, the minimum increase should reflect inflation – based on the retail price index. A comparison between this year and last can be found below for reference.

	July 2020	August 2020	July 2021	August 2021
RPI (%)	1.6	0.5	3.9	4.8

7. As a result, the decision was taken that we would apply a rate of 3.9% increase unless specific areas felt there was a need to diversify away from this. This will therefore allow for other factors such as the local economy not being as strong as it was twelve months previous, but still allowing us as a Council to provide the excellent services at a level our residents have come to expect from us whilst maintaining our financial stability at what is a challenging time.

8. Car parking income forms a significant proportion of the Council's income and there are wider economic considerations to be taken into account when determining the charges. The parking fees are therefore variable in rate increase as shown in Appendix E given its complex and detailed nature. However, for transparency purposes the average increase is 6.1% for season ticket permits and 4.9% for pay and display.
9. Chalets and Private Hire Beach Huts is another area where there are wider considerations when factoring price increases. The majority of charges have been increased by 2.1%.
10. All Fees and Charges are listed in Appendix B to Appendix E and will vary in their percentage increase for various factors. One example for this variance to the recommended increase could be for example, where the service has wanted to keep to a 'round' amount for ease and experience of customers as well as making it easier for staff and system changes.
11. As a result, some of the changes are higher than the recommended 3.9% as well as being lower than this figure where decisions were made to 'round down' and keep at the current pricing bracket.

Financial Implications

12. 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. If fees and charges are not increased then to achieve a balance budget the Council's options are to make efficiencies, cut services more deeply or use up the limited reserves it has more quickly.
13. The total proposed increase in Fees and Charges in 2022/23 will lead to an estimated Income budget increase of £172,000.
14. Equalities and Community Cohesiveness

The individual reports on the agenda consider the implications for each service area.

Timetable of Next Steps

15. 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	Fee increase date	1 January 2022 or 1 April 2022 depending on fee	Assistant Directors
Build increased income into budget	2022/23 Budget	February 2022	Chief Finance Officer

Wards Affected

All

Policy Implications

Reading Ease Score:

Have you used relevant project tools?: N

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

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

Additional Information

Appendix A - Fees and Charges Strategy
Appendix B - Environment and place Fees and Charges Summary
Appendix C - Regeneration and Culture Fees and Charges Summary
Appendix D - Housing and Built Environment Fees and Charges Summary
Appendix E – Parking Fees and Charges Summary

Officer to Contact

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