

**Report to:** Cabinet

**Date of Meeting:** 5 December 2022

**Report Title:** Fees and Charges

**Report By:** Kit Wheeler, Chief Finance Officer

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### **Purpose of Report**

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

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### **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.**

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### **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 Council's 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 2023/24 and is included in Appendix A.
8. The Council's total fee income budget for 2022/23 amounts to c.£6.6m. 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 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.

	<b>July 2020</b>	<b>July 2021</b>	<b>July 2022</b>	<b>October 2022</b>
RPI (%)	1.6	3.8	<b>12.3</b>	<b>14.2</b>

12. A decision was taken corporately that we would apply a recommended rate of increase of 10%, unless specific areas felt there was a need to diversify away from this.
13. Despite the figures in the above table being higher than the 10% recommended amount proposed and October's rate being 14.2%, the decision was made that for the upcoming financial period when the majority of these charges will come in to effect, the average rate would be closer to 10%.
14. This will therefore allow for other factors to be considered such as the local economy not being as a strong as it was and an impending recession hitting in due course if latest forecasts are to be trusted.
15. Historically the council has tried to keep any increases to a minimum to reduce the impact on residents and visitors to the town. However, last year's average increase of 3.9% did not, understandably so, factor in the unexpected global events that we have seen over the past financial year.
16. The Council effectively absorbed this increase in inflation rate and is not able to recoup any additional costs from its fees and charges process to account for this.
17. 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.
18. 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.
19. 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.
20. The 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.
21. However, it is believed that these decisions, no matter how difficult to make, will still 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

22. 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 10%.
23. However, it should be noted that each tenancy agreement has a different level of fees currently charged. There are 627 plots (3588 Rods) in total.

## Beach Huts & Chalets

24. It is agreed that Beach Huts and Chalets are increased by the recommended 10%.

## Car Parking

25. It is proposed that Car Parking charges will be increased by the recommended 10%, with the exception of Summerfields and Falaise which will remain at current pricing.
26. Electric Vehicle charging is increased by 20% from 50p to 60p per kwh due to the specific cost pressure of electricity costs in order to provide that service.

## Cemetery & Crematorium

27. Charges to increase mostly by 10% RPI with the exception of the additional use of the chapel which is proposed to be increased by 74%.
28. Child fees are set at half adult fees. These are to be claimed back from the government’s Children’s Funeral Fund. This is a purely an administration requirement to include as part of the Councils Fees and Charges list and has no impact on the family and the impacted family would not bear any of these costs.

## East & West Cliff Railways

29. Charges to the West Hill Lift are proposed to be increased by 10% RPI.

## Events

30. Having benchmarked our fees and charges against other local authorities it is recommended that most are increased in line with RPI at 10%.

31. However proposed increases above inflationary rate to cover increase in utility costs and where income can be maximised are:

- Private hire of the bandstand fees are increased by 23%.
- Funfairs and circuses fees are increased by 15%.
- All commercial events fees and charges are increased by 15%.
- Fees for closure orders under the East Sussex Act (required for ticketed access generally), and the fee for days commercial organisers spend on site but closed to the public are increased by 23%.
- Fees and charges are introduced for charitable/not for profit events. This will be variable and that a minimum charge of £50 for all 'charitable events' and up to £1,000 for large events.

32. A booking fee is to be introduced, and that fees and charges are set at a level in line with market values.

33. For large commercial events this fee should be 25% of the total booking value, if that value exceeds the basic proposed fee.

## Garden Waste

34. No planned increase in Garden Waste for the next financial year, but future options to be assessed as part of the strategic planning of the service.

## Licensing

35. The proposed increase of 10% RPI, apart from those which would lead to fees and charges exceeding the cost of providing the service or those fixed and set by the Secretary of State or are at the Maximum level set by the Government.

## Museum & Art Gallery

36. The fees to be increased as follows:

1. Ceremonies	Current	Proposed	Increase
i. Ceremony	£475	£475	0%
ii. Ceremony + Refreshments	£700	£800	14%
iii. Ceremony + Reception	£1,000	£1,250	25%
2. Room (per room/per hour)	Current	Proposed	Increase
i. Charities/Local Groups, 10am-5pm	£20	£20	0%
ii. Charities/Local Groups, from 5pm	£50	£60	20%
iii. Commercial, 10am-5pm	£25	£30	20%
iv. Commercial, from 5pm	£50	£100	100%

## Planning Services

37. 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.

38. Other discretionary services such as Street Naming and Numbering has been proposed to be increased by the recommended 10%.

## Sports Pitches

39. It is proposed that fees and charges increase at the recommended 10% level except in the case of the following;
- That all fees and charges bands for community football are frozen year on year in light of reducing pitch quality and the expected reduced maintenance specification. However, a 10% increase in fees for commercial operators will be implemented.
  - That bowls season ticket fees are frozen
40. 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.
41. As a result, some of the changes are higher than the recommended 10% as well as being lower than this figure, where decisions were made to 'round down' and keep at the current pricing bracket.

## Financial Implications

42. 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.
43. The total proposed increase in Fees and Charges in 2023/24 will lead to an estimated Income budget increase of c.£600k.
44. 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 than already required 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

45. 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 2023 or 1 April 2023 depending on fee	Assistant Directors
Build increased income into budget	2023/24 Budget	February 2023	Chief Finance Officer



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**Wards Affected**

All

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**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

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**Additional Information**

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

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**Officer to Contact**

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