

Communities, Leisure and Arts Policy Advisory Committee

5 December 2023

Fees and Charges 2024-25

Timetable	
Meeting	Date
Communities, Leisure and Arts Policy Advisory Committee	5 December 2023
Cabinet	20 December 2023

Will this be a Key Decision?	Yes
Urgency	Not Applicable
Final Decision-Maker	Council
Lead Head of Service/Lead Director	Mark Green, Director of Finance, Resources and Business Improvement
Lead Officer and Report Author	Adrian Lovegrove, Head of Finance
Classification	Public
Wards affected	All

Executive Summary

This report sets out the proposed fees and charges for 2024/25 for the services within the remit of this committee. Fees and charges determined by the council are reviewed annually, and this forms part of the budget setting process. Changes to fees and charges agreed by this committee will come into effect on 1 April 2024 unless otherwise stated in the report.

This report forms part of the process of agreeing a budget for 2024/25 and setting next year's Council Tax. Following consideration by this Committee at its meeting on 5 September 2023 of the draft Medium Term Finance Strategy for 2024/25 – 2028/29 and savings budget proposals for services within the remit of the Committee.

The draft MTFs described how, in bridging the budget gap, the Council would need to balance the requirement to make savings and generate increased income of 5%. This 5% increase could be delivered by price increase and or volume increases. This needs to be considered in respect of any potential changes be recommended by the PAC.

This report also includes an update on the Budget Survey. Public consultation on the budget has been carried out. Details are set out in Appendix C and D. Members are encouraged to review the findings and assess whether the budget proposals

being presented later this year are consistent with public expectations and aspirations.

This report makes the following recommendations: That

1. The contents of the report be noted;
2. The Fees & Charges Policy as detailed in appendix b to the report, be noted;
and
3. The Cabinet be recommended to approve the Fees and Charges as detailed in Appendix A to the report.

Fees and Charges 2024-25

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>The Medium Term Financial Strategy and the budget are a re-statement in financial terms of the priorities set out in the strategic plan. They reflect the Council’s decisions on the allocation of resources to all objectives of the strategic plan.</p> <p>The Council’s policy on charging has been developed to support corporate priorities as set out in the strategic plan and the proposals within the report have been made with reference to this.</p>	Section 151 Officer & Finance Team
Cross Cutting Objectives	The MTFs supports the cross-cutting objectives in the same way that it supports the Council’s other strategic priorities.	Section 151 Officer & Finance Team
Risk Management	This has been addressed in section 5 of the report.	Section 151 Officer & Finance Team
Financial	The budget strategy and the MTFs impact upon all activities of the Council. The future availability of resources to address specific issues is planned through this process. It is important that the committee gives consideration to the strategic financial consequences of the recommendations in this report.	Section 151 Officer & Finance Team
Staffing	The recommendations do not have any staffing implications.	Section 151 Officer & Finance Team
Legal	<p>Section 93 of the Local Government Act 2003 permits best value authorities to charge for discretionary services provided the authority has the power to provide that service and the recipient agrees to take it up on those terms.</p> <p>The authority has a duty to ensure that taking one financial year with another, income does not exceed the costs of providing the service.</p> <p>A number of fees and charges for Council services are set on a cost recovery basis only, with trading accounts used to ensure that the cost of service is clearly related to the charge</p>	Team Leader (Contentious and Corporate Governance)

	<p>made. In other cases, the fee is set by statute and the Council must charge the statutory fee. In both cases the proposals in this report meet the Council's legal obligations.</p> <p>Where a customer defaults on the fee or charge for a service, the fee or charge must be defensible, in order to recover it through legal action. Adherence to the MBC Charging Policy on setting fees and charges provides some assurance that appropriate factors have been considered in setting such fees and charges</p>	
Information Governance	The recommendations will not have an impact on the processing of personal data.	Information Governance Team
Equalities	The MFTS report scopes the possible impact of the Council's future financial position on service delivery. When a policy, service or function is developed, changed or reviewed, an evidence-based equalities impact assessment will be undertaken. Should an impact be identified appropriate mitigations will be identified.	Head of Finance
Public Health	The resources to achieve the Council's objectives are allocated through the development of the Medium Term Financial Strategy.	Head of Finance
Crime and Disorder	The resources to achieve the Council's objectives are allocated through the development of the Medium Term Financial Strategy.	Section 151 Officer & Finance Team
Procurement	The resources to achieve the Council's objectives are allocated through the development of the Medium Term Financial Strategy.	Section 151 Officer & Finance Team
Biodiversity and Climate Change	The resources to achieve the Council's objectives are allocated through the development of the Medium Term Financial Strategy.	Head of Finance

2. INTRODUCTION AND BACKGROUND

Medium Term Financial Strategy

- 2.1 The Medium Term Financial Strategy (MTFS) sets out in financial terms how the Council's Strategic Plan will be delivered over the next five years, given

the resources available. In so doing, it establishes the framework for the annual budget setting process.

- 2.2 The MTFS and relevant savings proposals for 2024/25 were presented to CLA PAC on 5 September 2023. Across the council, these savings and fees and charges increases of 5% overall would cover the budget gap. The 5% increase can be delivered by increases to fees and charges or by increased volumes. Any reduction to savings or F&Cs would require further savings options to be considered.
- 2.3 This assumes that Council Tax is increased up to the referendum threshold and there are no significant changes to funding when government announce the funding settlement. If there are variations to our assumptions in the MTFS we will need to review the position again.

Fees and Charges

- 2.4 The council is able to recover the costs of providing certain services through making a charge to service users. For some services, this is a requirement and charges are set out in statute, and in other areas the council has discretion to determine whether charging is appropriate, and the level at which charges are set.
- 2.5 In recent years, the use of charging has become an increasingly important feature of the council's medium term financial strategy, as pressures on the revenue budget limit the extent to which subsidisation of discretionary services is feasible. Recovering the costs of these services from users where possible helps to ensure sustainability of the council's offer to residents and businesses, beyond the statutory minimum.
- 2.6 A charging policy (attached at Appendix 2 for reference) is in place for charges which are set at the council's discretion and this seeks to ensure that:
 - Fees and charges are reviewed regularly, and that this review covers existing charges as well services for which there is potential to charge in the future.
 - Budget managers are equipped with guidance on the factors which should be considered when reviewing charges.
 - Charges are fair, transparent and understandable, and a consistent and sensible approach is taken to setting the criteria for applying concessions or discounted charges.
 - Decisions regarding fees and charges are based on relevant and accurate information regarding the service and the impact of any proposed changes to the charge is fully understood.
- 2.7 The policy covers fees and charges that are set at the discretion of the council and does not apply to services where the council is prohibited from charging, e.g. the collection of household waste. Charges currently determined by central government, e.g. planning application fees, are also outside the scope of the policy. However, consideration of any known

changes to such fees and charges and any consequence to the medium term financial strategy are included in this report for information.

2.8 Managers are asked to consider the following factors when reviewing fees and charges:

- The council's strategic plan and values, and how charge supports these;
- The use of subsidies and concessions targeted at certain user groups or to facilitate access to a service;
- The actual or potential impact of competition in terms of price or quality;
- Trends in user demand including an estimate of the effect of price changes on customers;
- Customer survey results;
- Impact on users, both directly and on delivering the council's objectives;
- Financial constraints including inflationary pressure and service budgets;
- The implications of developments such as investment made in a service;
- The corporate impact on other service areas of council wide pressures to increase fees and charges;
- Alternative charging structures that could be more effective;
- Proposals for targeting promotions during the year and the evaluation of any that took place in previous periods.

Discretionary Charges for 2024-25

2.9 It is important that charges are reviewed on a regular basis to ensure that they remain appropriate and keep pace with the costs associated with service delivery as they increase over time.

2.10 Charges for services which fall within the remit of this committee have been reviewed by budget managers in line with the policy, as part of the development of the MTFS for 2024/25 onwards. The detailed results of the review carried out this year are set out in Appendix 1 and the approval of the committee is sought to the amended fees and charges for 2024/25 as set out in that appendix.

2.11 Table 1 below summarises the 2023/24 outturn and 2024/25 estimate for income from the discretionary fees and charges which fall within the remit of this committee. Please note that the table only reflects changes relating to fees and charges and does not include other budget proposals which may impact these service areas.

2.12 The overall increase in income if these changes are agreed and implemented as planned is expected to be £5,580 which amounts to a 3.2% increase in the budgeted income figure for this committee for the current financial year.

Fees and Charges

Service Area	2022-23 Outturn	2023-24 Estimate	Proposed change in income	2024-25 Estimate
	£	£	£	£
Museum	36,580	42,800	0	42,800
Parks and Open Spaces- Leisure Activities	55,790	44,630	0	44,630
Market	87,000	87,930	5,580	93,510
Total income from fees set by the Council	179,370	175,360	5,580	180,940

Table 1: Discretionary Fees & Charges Summary

- 2.13 Detailed proposals are set out within Appendix A to this report, and considerations relating to these proposals have been summarised below.
- 2.14 Museum – Some changes are proposed to charges driven by costs of supplying the service. No increase in the budget as actual income levels are currently under budget.
- 2.15 Parks and Open Spaces-Leisure Activities and Charges – Some changes are proposed to charges driven by costs of supplying the service. No increase in the budget proposed as income levels are not expected to increase.
- 2.16 Market – Moderate increases are proposed to Hire of Agricultural Hall. It is anticipated that this may generate additional income of £5,580.

Budget Survey

- 2.17 Public consultation on the budget has been carried out. Details are set out in Appendix C and D. Members are encouraged to review the findings and assess whether the budget proposals they have reviewed are consistent with public expectations and aspirations.

Services Spending Approaches

- 2.18 Respondents were provided with the list of mandatory services detailing the current spend for each per council tax band D household. They were asked to indicate what approach they felt the Council should take in delivering the mandatory services. Three options were provided for respondents to select from:
- Reduce the service provided
 - Maintain the current service
 - Don't know.
- 2.19 The key points from the responses are (Appendix C):
- The top three mandatory services that respondents said should be maintained were Environmental Services (96.7%), Environmental Health (84.1%) and Community Safety (82.0%).

- The top three mandatory services which respondents said should be reduced were Democratic & Electoral services (47.0%), Licensing (38.5%) and Council Tax & Benefits (34.8%).
- The top three discretionary services which respondents said should be maintained were Parks & Open Spaces (96.4%), Leisure centre (79.7%) and Car Parks (74.3%).
- The top three discretionary service which respondents said should be reduced were Civic Events (50.8%), Markets (43.3%) and Tourism (34.6%).
- Investment priorities – infrastructure including flood prevention and street scene remain the highest priority.

2.20 We have also compared the changes between the 2022 and 2023 surveys (Appendix D). There are small swings in the figures on reducing services. Those with a decrease in the percentage for 'reducing the service provided' are Environmental Services and Planning.

2.21 Those with a larger increase in the percentage for 'reducing the service provided' are Democratic and Electoral Services, Bereavement Services, Environmental Enforcement and Licensing.

2.22 The most important services were also compared across the 2 surveys. There were no changes in the priority order.

Investment Programme

2.23 Survey respondents were asked to place a list of investment programme priorities into their preferred order of importance. The result is consistent with the 2022 survey with Infrastructure (including flood presentation and street scene) the highest preference and housing the lowest.

3. AVAILABLE OPTIONS

3.1 Option 1

The committee could recommend approval to adopt the fees and charges as proposed in Appendix A. As these proposals have been developed in line with the council's policy on fees and charges, they will create a manageable impact on service delivery whilst maximising income levels.

3.2 Option 2

The committee could recommend alternative charges to those set out within Appendix A. Any alternative increases may not be fully compliant with the policy, would require further consideration before implementation and may not deliver the necessary levels of income to ensure a balanced budget for 2024-25. The impact on demand for a service should also be taken into account when considering increases to charges beyond the proposed level.

3.3 Option 3

The committee could recommend to do nothing and retain charges at their current levels. However, this might limit the Council's ability to recover the

cost of delivering discretionary services and could result in the Council being unable to set a balanced budget for 2024-25.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.1 The Cabinet must recommend to Council at its meeting on 21 February 2024 a balanced budget and a proposed level of Council Tax for the coming year. The budget proposals and Fees and Charges included in this report will allow the Cabinet to do this. Accordingly, the preferred option is that this Committee agrees the Fees and Charges at Appendix A.

5. RISK

- 5.1 The Council's finances are subject to a high degree of risk and uncertainty. The draft MTFS includes an evaluation of the Council's financial resilience, from which it can be seen that it has adequate, but not excessive, reserves and is positioned well to manage the financial challenges that it faces.
- 5.2 In order to address risk on an ongoing basis in a structured way and to ensure that appropriate mitigations are developed, the Council has developed a budget risk register. This seeks to capture all known budget risks and to present them in a readily comprehensible way. The budget risk register is updated regularly and is reviewed by the Audit, Governance and Standards Committee at each of its meetings.
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6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

6.1 Communities, Leisure and Arts PAC (5 September 2023) received details of MTFS and savings proposals which will be needed to deliver a balanced budget for 2024/25.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

7.1 The timetable for developing the budget for 2024/25 is set out below.

<i>Date</i>	<i>Meeting</i>	<i>Action</i>
24 January 2024	Cabinet	Agree 24/25 final budget proposals for recommendation to Council
21 February 2024	Council	Approve 24/25 budget

8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix A Fees and Charges Proposals 2024/25
 - Appendix B: Fees and Charges - Charging policy
 - Appendix C: Budget Survey 2023
 - Appendix D: Comparison of 2022 and 2023 Service Spending Approaches.
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9. BACKGROUND PAPERS

There are no background papers.