

REPORT TITLE: FEES AND CHARGES 2022/23

23 NOVEMBER 2021

REPORT OF CABINET MEMBER: Cllr Cutler, Deputy Leader and Cabinet Member
for Finance and Service Quality

Contact Officer: Liz Keys Tel No: 01962 848226 Email lkeys@winchester.gov.uk

WARD(S): ALL

PURPOSE

This report seeks approval of the fees and charges 2022/23 detailed in appendices 1. The fees and charges have been prepared on the basis of an average 3% increase (other than for parking and garden waste service subscriptions where separate arrangements were agreed in CAB3318): It is proposed to not increase some fees by inflation and reasons for this are set out in the report.

The report sets out all fees within the Council's control and also provides information in relation to statutory fees set nationally.

RECOMMENDATIONS:

That Cabinet:

1. Approve the fees and charges for 2022/23 as set out in appendix 1.

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

- 1.1 A range of services offered by the council are chargeable, and the income generated underpins the delivery of the Council Plan and all of its outcomes. The recovery of costs and additional income is available to be used by Council in achieving its objectives.

2 FINANCIAL IMPLICATIONS

- 2.1 Increasing fees and charges in line with inflation, as a minimum – subject to regulatory restrictions, is one of the core principles used to underpin the Council's Medium Term Financial Strategy (MTFS). The effect of not increasing charges each year would be to increase the net operating costs of council services and increase the burden on council tax. It is projected that that a 3% increase will generate an additional £30,000 of income in 2022/23 (not including the parking charges scheduled for October 2022).
- 2.2 With current consumer price index inflation running at c.3% (3.1% as at September 2021) it is recommended that, where appropriate, an average 3% increase is applied to ensure appropriate cost recovery is maintained. On this basis, Cabinet requested fees and charges (subject to certain exclusions) were drafted with this average increase.
- 2.3 No increase is planned for the charges for the garden waste service for 2022/23.
- 2.4 In some cases, the council offers a service also provided by the private sector. These fees have been reviewed in order to ensure the council does not influence the local market by under or over charging. However, it is also important that charges are sufficient to cover appropriate operating costs. Consideration to this has been given where this is appropriate (e.g. building control services).

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The Council has general power under section 93 of the Local Government Act 2003 ("LGA 2003") to charge a person for discretionary services, that is, the provision of a service where the Council is authorised, but not required, to provide the service and the person has agreed to its provision. However, the income from discretionary services must not exceed the cost of provision.
- 3.2 Powers to charge were augmented following the Localism Act 2011 and the introduction of a new general power of competence. The overall position on charging may be summarised as follows:
- Authorities must not charge for a service if legislation so provides.
 - Similarly, authorities must charge for a service if legislation so provides.

- There is a further range of services where specific legislative provisions allow authorities to decide whether to charge and how much.
- Then there is a further range of discretionary services supported by empowering legislation where there are no legislative provisions on charging. The local authority may then use its charging powers for discretionary services under the Local Government Act 2003.
- The general power of competence may be exercised for other services where they do not fall into the categories above. An authority may not recover more than the cost of providing that kind of service. Recovery is assessed taking one year with another.

3.3 There is some flexibility over the interpretation of ‘the authority may not recover more than the cost of providing that kind of service’:

- ‘May not recover more than the cost’ which includes overheads.
- ‘Of providing that kind of service’, Authorities have flexibility over defining the service, and possible interpretations could range from a specialised individual service to a much broader definition at service.

4 WORKFORCE IMPLICATIONS

4.1 The Council in part relies on fees and charges to cover the costs of staff delivering services as well as those who support that service delivery. Increasing fees in line with inflation is important to ensure increasing staff costs (incremental growth and pay awards) continue to be covered.

5 PROPERTY AND ASSET IMPLICATIONS

5.1 This report details fees and charges associated with management of the council’s property portfolio.

6 CONSULTATION AND COMMUNICATION

6.1 The principle of inflationary increases to fees and charges has been included and supported in consultation processes for the budget in 2019 and 2020 and now forms a core element of the Council’s Medium Term Financial Strategy.

7 ENVIRONMENTAL CONSIDERATIONS

7.1 The Climate Emergency declaration, the Carbon Neutrality Action Plan and the Air Quality Action Plan all recognise the role charges could play in influencing behaviours.

8 EQUALITY IMPACT ASSESSEMENT

- 8.1 The Council, in the exercise of all its functions, must have due regard to the public sector equality duty in section 149 of the Equality Act 2010. This report is part of the budget consultation process; the public sector equality duty is considered alongside any relevant charging options.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 Where personal details are taken to fulfil a service, they are stored on the council's IT system in accordance with established policies and procedures.

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Community Support Opposition to increased charges for services</i>	Benchmarking of charges against neighbouring authorities. Core principle of cost recovery ensures that the costs of providing a service are recovered where possible.	
<i>Financial / VfM Cost of services are not recovered rendering discretionary services unviable.</i>	Fees and charges are reviewed to ensure, as a minimum, cost recovery.	Opportunities for the Council to offer services in new areas / to new customers and generate additional income to financially support the Council in the delivery of its outcomes.
<i>Legal Challenge regarding the need to consult regarding fee increases (parking)</i>	No increases in parking charges for 2022/23 proposed now. A detailed review will be conducted, including consultation, before any pricing changes are implemented.	
<i>Reputation Challenge regarding excessive fees and unfair charges</i>	Comprehensive review of all charges completed including detailed assessments to support charges	

11 SUPPORTING INFORMATION:

- 11.1 The council charges for a wide range of its statutory and discretionary services and the revenue this generates (in the order of £9.5m) is significant to the council. Given the changing financial climate, the council reviews and publishes all fees and charges each year.
- 11.2 As part of the budget setting process for 2022/23 a comprehensive schedule of all fees and charges across the Council has been compiled. This has enabled a comprehensive review to be undertaken for those charges under the Cabinet's control. These are set out in appendix 1.
- 11.3 Some charges for council services are monitored, reviewed and agreed by external bodies, for example those such as statutory planning and some licensing fees set by Government. Other fees are determined within contracts (for example the leisure contract) or by specific council strategies (for example parking fees as part of the car parking strategy). The statutory fees are set out in appendix 3.
- 11.4 This report outlines changes to corporate fees and charges levied for services to be approved by Cabinet. An average increase of 3% across fees and charges (excluding garden wastes services and parking outside of the central Air Quality Management area) should be implemented from April 2022 where possible. For simplicity the 3% uplift has been rounded in certain areas where rounded charges are the most practical (for example where cash payments are accepted).
- 11.5 Budget holders have been asked to consider the impact of increases to fees and charges before making any final recommendations, particularly where charges are levied on anyone considered as vulnerable. None of these have been identified as requiring an equality impact assessment.
- 11.6 This report contains the fees and charges for services directly managed by Cabinet, the increases in this report are projected to achieve additional fees and charges income of £30,000 in 2022/23. The attached Appendix 1 shows the level of proposed locally set charges for 2022/23 and the percentage change on individual 2021/22 charges.
- 11.7 It should be noted that those fees set nationally are not discussed further in this report, these include: planning application fees, fees for certain licenses, and other regulatory fees in relation to abandoned vehicles, air pollution.

12 Outline of Key Changes

12.1 Whilst most non statutory fees are proposed to increase by 3% there are some variations proposed, including:

- a) Building Control – The Building Control services is able to set fees to recover most operating costs and the fee schedule in Appendix 1 includes fees for a range of Building Control services. The Council should not generate a surplus through charges and fees were reviewed in detail and amended in April 2021. The set fees are still considered to be sufficient to cover current operating costs and no further increases are therefore proposed for April 2022.
- b) Environmental Services – The fees set out in Appendix 1 are included in the Waste Collection contract and initially set at the start of the contract earlier this year. The contract requires that they be increased in line with the September CPI rate each year and therefore an increase of 3.1% is proposed.
- c) Market stall fees increased above inflation in 2021/22 and no further increase is therefore proposed for April 2022.
- d) Guildhall – With Her Majesty’s Courts and Tribunal service (HMCT) currently occupying much of the Guildhall, rooms are not available for external hire. Discussions regarding the future of the HMCT lease will be concluded in the New Year. Should their occupation of the Guildhall cease, rooms will be available for public hire and the charges proposed in Appendix 1 take account of the reduced “room hire only” service that can be maintained within current resources. Options for the longer term management of the Guildhall and its use as a regional conference centre are currently being assessed.
- e) “Lifeline” charges – The emergency “lifeline” service that supports the Council’s Older Persons Housing services is also offered at a charge to the wider public. Charges are already higher than some competitors and so no inflationary increase is recommended.
- f) Garages – Demand for garages in many areas has reduced in recent years, although there is still a waiting list for a large proportion of garages. With void rates at an estimated 10%, no inflationary increase is recommended for 2022/23 for those garages on housing estates, except for those in central Winchester, which remain in very high demand. Officers have benchmarked current charges with other providers and Council garage rents remain broadly at the average for charges across Hampshire.

- g) Sheltered Housing Guestroom charges – The current charge of residents families booking use of the scheme guestrooms is not sufficient to cover the administrative and operational costs to service this provision. Guestrooms have been improved and upgraded in recent years and an increased charge for the first night of any use is recommended to reflect costs involved in preparing rooms for letting.
- h) Filming and Media Work – Charges for this work were introduced earlier this year although have not been used to date. No further increase is proposed at this stage.
- i) Tourism and Marketing – No increases are proposed to charges relating to the visitor centre and the wider tourism and marketing service which plays an important role in the recovery the local economy.
- j) Taxi and Licensed Hire charges – No increases are proposed to these fees. This takes account of the difficulties faced by the sector. In addition, the Council should only recover operating costs and not generate a surplus from these fees and existing fees are considered to be appropriate in light of this.

13 Parking Charges

- 13.1 In line with the City of Winchester Movement Strategy, inflationary increases are only proposed for city centre car parks in the air quality management area (AQMA) where demand remains very high. These will take effect from October 2022 rather than April 2022.
- 13.2 Consistent with the Parking Agency agreement with Hampshire County Council for on street residential permits, all undiscounted residential permit changes will increase by £10 from April 2022.
- 13.3 The Council has committed to an air quality parking surcharge on the most polluting cars inside the Air Quality Management Area and will come back with detailed proposals in January 2022.
- 13.4 Separately, parking charges for off-street car parking will be reviewed in detail in light of Hampshire County Council's plans for the parking agency agreement and the need to make them to be consistent with on-street parking charges.
- 13.5 Market Town charges will remain unchanged in April 2022 and are subject to agreement to updated Parking & Access Plans between the City Council and the parish councils in Wickham, Bishops Waltham and New Alresford.

14 Charges for Sports and Leisure

- 14.1 The council's leisure contractor, Everyone Active, sets the fees and charges for use of the leisure facilities as part of the contractual arrangements as set out in Appendix 2
- 14.2 The contract requires that the Contractor must provide proposals for prices of activities annually to the council by **31st December**, prior to implementation the following Contract Year.
- 14.3 Core prices are to be reviewed annually by the council and may be increased by not more than 4% or the rate of inflation (as measured by the CPI), whichever is the greater.
- 14.4 As the contractor has yet to provide proposals for 2022 prices and that the contract sets a December review date, it is not possible to set charges at this time and a separate report will be prepared in the New Year.

15 OTHER OPTIONS CONSIDERED AND REJECTED

- 15.1 Cabinet can choose not to increase fees and charges or vary the charges made.
- 15.2 To not make charges in any form would impact the general fund with services not recovering costs and council tax payers as a whole bearing the cost of service. This is therefore not recommended.
- 15.3 Cabinet do have discretion to vary fees and charges as local circumstances demand but 3% is recommended in order to cover the unavoidable cost of service increase.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3318 – General Fund Budget Options and Medium Term Financial Strategy

CAB3295 – Fees and Charges 2021/22

Other Background Documents:-

None

APPENDICES:

Appendix 1 – Local and Agency Fees & Charges

Appendix 2 – Leisure Centre Fees & Charges

Appendix 3 – Statutory Fees & Charges