

## BABERGH DISTRICT COUNCIL

<b>TO: Babergh Cabinet</b>	<b>REPORT NUMBER: BCa/21/36</b>
<b>FROM: Councillor Simon Barrett, Cabinet Member for Finance</b>	<b>DATE OF MEETING: 10 January 2022</b>
<b>OFFICER: Katherine Steel, Assistant Director - Corporate Resources</b>	<b>KEY DECISION REF NO. Item No. CAB321</b>

### FEES AND CHARGES 2022/23

#### 1. PURPOSE OF REPORT

- 1.1 This report presents the 2022/23 proposed fees and charges for a range of services provided by the Council, including charges for services governed by statute and charges for discretionary services.
- 1.2 The approved fees and charges will be built into the draft 2022/23 budget.

#### 2. OPTIONS CONSIDERED

- 2.1 The options that have been considered are;
  - a) To review and approve the proposed changes to the fees and charges for the forthcoming financial year (recommended) or,
  - b) To leave them at the current year's level

#### 3. RECOMMENDATIONS

- 3.1 The proposed Fees and Charges for 2022/23 as shown in Appendix A be approved.

#### REASON FOR DECISION

**To ensure that the Council achieves sufficient income and thereby reduces subsidy on non-essential services which may compromise the Councils ability to fund statutory services.**

#### 4. KEY INFORMATION

##### Introduction

- 4.1 Fees and charges are an important source of income to the Council, enabling important services to be sustained and provided. In 2022/23 Babergh's fees and charges are budgeted at £4.1m, which is 12% of the Councils gross expenditure. In order to sustain the delivery of services in the future this revenue is essential.
- 4.2 One of the key themes in the medium-term financial strategy is income generation and to achieve a robust financial strategy. With reducing Government funding, the

stability and growth in the Councils fees and charges is a major part of delivering this strategy.

4.3 The Council provides a wide range of services for which it has the ability to make a charge – either under statutory powers (set by the Government) or discretionary (set by the Council). Fees and charges fall into three categories:

4.4 **Statutory prohibition on charging:** Local authorities must provide such services free of charge at the point of service. Generally, these are services which the authority has a duty to provide.

4.5 **Statutory charges:** Charges are set nationally, and local authorities have little or no opportunity to control such charges. These charges can still contribute to the financial position of the Authority. Income cannot be assumed to increase in line with other fees and charges.

4.6 **Discretionary charges:** Local authorities can make their own decisions on setting such charges. Generally, these are services that an authority can provide but is not required to provide.

## 5. PROPOSED FEES AND CHARGES 2022/23

5.1 This report sets out the proposed fees and charges for 2022/23 for a range of services provided by the Council. The Council regularly reviews and revises its rates for fees and charges so that either all or a proportion of the cost of service provision can be met and built into the Revenue Budget accordingly.

5.2 The fees and charges set out in this report have been built into the Draft General Fund Budget 2022/23.

5.3 It should be noted that if the increases in charges are too high, income levels may drop due to customer resistance and affordability for the customer. Usage and uptake of services needs to continue at optimum levels to support funding of increasing service costs, including administration and contract uplifts where applicable. Failure to achieve sufficient income and thereby reduce subsidy on non-essential services may compromise the Councils ability to fund statutory services and savings may need to be made elsewhere in the budget to mitigate a loss of income.

5.4 The charges set out are inclusive of value added tax (VAT) at the current rate, where appropriate.

5.5 The total income from the proposed fees and charges for 2022/23 is £4.109m compared to £3.792m in 2021/22, an increase of £317k or 8.4%. A detailed breakdown by service area can be found in Appendix B.

5.6 Service Managers have reviewed the fees and charges for their relevant areas and are confident that where changes are proposed these are reasonable increases in terms of benchmarking against others. The proposed detailed schedule of fees and charges for 2022/23 is shown in Appendix A.

5.7 The proposed changes for 2022/23 are summarised below;

## 5.8 Statutory Charges

### Land Charges

- The LLC1 service is due to cease in quarter 4 of 2021/22. Charges will be updated to reflect this in due course.

## 5.9 Discretionary Charges

### Caravan licensing

- New fees added to the Fees & Charges Schedule as follows:

New Park Home Licence	£276 to £378
Annual Licence Fee	Up to £221
Licence Transfer	£101 to £122
Licence Variation	£120
Deposit of Site Rules	£20

### Other licensing

- New fees added as follows:

Pavement Licences	£80
Pleasure Boat Licences	£46
Boatman Licences	£23.50
Street Trading	£820 to £2,450

### Housing

- Houses of Multiple Occupation licence cost – 3% increase (£16.53)
- B&B rate – 3% increase (£0.30)

### Household Waste

- Bulky Item Collections – 2.9% increase (£1.25)
- Larger Bins – 4.2% increase (£1.50)
- Replacement Missing Bins – 4.2% increase (£1.50)
- Additional Waste Sacks – 4% increase (£0.03)
- New Set of Bins – 4.6% increase (£2.75)

### Public Rights of Way

- Hourly Charge – 10.3% increase (£5.68 p/h)

## 6. LINKS TO JOINT CORPORATE PLAN

- 6.1 Ensuring that the Council makes best use of its resources is what underpins the ability to achieve the 6 corporate strategic priorities set out in the Corporate Plan, and ensuring the Council has a robust financial strategy. One of the key themes in the Medium-Term Financial Strategy is increasing the Councils income.

## 7. FINANCIAL IMPLICATIONS

- 7.1 The increase in fees and charges income will either have been included in the Draft General Fund budget 2022/23 as a saving or be used to offset the operational costs of the service, for example, the inflationary increases in running costs.

## 8. LEGAL IMPLICATIONS

- 8.1 Local authorities have a variety of powers to charge for specific statutory services set out in statute.
- 8.2 The Local Government Act 2003 also provides a power to trade and a power to charge for discretionary services, the latter on a cost recovery basis. The power to charge for discretionary services is not available to local authorities if there is a statutory duty to provide the service or if there is a specific power to charge for it or if there is a prohibition on charging.
- 8.3 Additionally, the Localism Act 2011 provides local authorities with a general power of competence that confers on them the power to charge for services but again subject to conditions/limitations similar to those noted above.
- 8.4 Where authorities have a duty to provide a statutory service free of charge to a certain standard, no charge can be made for delivery to that standard, however delivery beyond that point may constitute a discretionary service for which a charge could be made.
- 8.5 All items/services listed in the appendices are pursuant to a power to provide the relevant service whether it is provided because of a statutory obligation to do so, or on a discretionary basis where the authority is not obliged to provide the service but can choose to do so. In relation to the latter, an authority charging for such services would do so on a cost recovery basis, pursuant to the Local Government Act 2003/Localism Act 2011.

## 9. RISK MANAGEMENT

- 9.1 This report is most closely linked with the Councils' Significant Risk No.13 – We may be unable to react in a timely and effective way to financial demands and also Corporate Risk No. SE05 – if the Finance Strategy is not in place with a balanced position over the medium term the Councils will not be able to deliver the core objectives and service delivery may be at risk of not being delivered.
- 9.2 Other key risks are set out below:

<b>Risk Description</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation Measures</b>
If the increases proposed adversely affect demand for the service, the Council may suffer a loss of income and will not recover the costs of providing the service.	Unlikely (2)	Noticeable (2)	Fees and charges will be monitored through the monthly budget monitoring

If Covid19 continues to impact on fees and charges income into 2022/23 and the Government does not extend its sales, fees, and charges scheme then the Council may suffer a loss of income.	Probable (3)	Bad (3)	Fees and charges will be monitored through the monthly budget monitoring
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## 10. CONSULTATIONS

- 10.1 The relevant Portfolio Holders and Councillors have been consulted on any significant areas of increase or change to fee and charges. The need for wider consultation when increasing fees and charges is reviewed by each Corporate Manager and relevant Assistant Director, none of the proposed increases in this report have resulted in a need for wider consultation.

## 11. EQUALITY ANALYSIS

- 11.1 An equality impact assessment will be undertaken by each Assistant Director for any significant changes within these fee and charges proposals.

## 12. ENVIRONMENTAL IMPLICATIONS

- 12.1 The use of fees and charges can influence behaviour that will in turn have a positive impact on the environment. Corporate Managers will consider this impact as part of their service strategies.

## 13. APPENDICES

Title	Location
Appendix A - Fees and charges schedule 2022/23	Attached
Appendix B – Fees and charges by service 2022/23 compared to 2021/22	Attached

## 14. BACKGROUND DOCUMENTS

Draft General Fund Budget 2022/23 and four-year outlook