

Slough Borough Council

Report To:	Cabinet
Date:	16th January 2023
Subject:	Fees and Charges Review
Lead Member:	Cllr Anderson. Lead Member for Financial Oversight and Council Assets
Chief Officer:	Steven Mair, Executive Director Finance and Commercial (Section 151 Officer)
Contact Officer:	Steve Muldoon, Deputy Director Financial Management
Ward(s):	ALL
Key Decision:	YES
Exempt:	NO
Decision Subject To Call In:	YES
Appendices:	Appendix 1 – List of current and proposed fees and charges

1. Summary and Recommendations

- 1.1 This report sets out the context for this year's annual review of fees and charges. The main focus of the approach to fees and charges is to ensure full cost recovery and adherence to the relevant statutory charging regime, to ensure that charges remain in line with the cost of delivering services and are reviewed and set in a transparent way.
- 1.2 The income from fees and charges helps to cover costs for providing services, and to manage demand in some cases.
- 1.3 The fees and charges review undertaken this year proposes a starting principle that all charges adopt an inflationary increase where appropriate and applicable. This approach negates the need to increase those fees and charges more steeply in future years to achieve full cost recovery.
- 1.4 The September 2022 Consumer Price Index (CPI) annual increase of 10.1% is being used as the measure of inflation in most cases. This inflationary increase of 10% (rounded) has been applied to all fees and charges where this inflationary rise is supported and appropriate.
- 1.5 In some cases it may be recommended that a different approach is taken and fees and charges remain the same or increase at a rate above or below inflation where there is evidence that the cost of the service is not covered by an inflationary increase, the statutory regime does not justify this approach or there is a clear rationale for subsidising the service. In a number of cases the actual fee or

charge is also rounded so as to simplify the fee structure and charging mechanism. Further detail of these exceptions is included within this report.

Recommendations:

Cabinet is recommended to:

- a) Agree the proposed fees and charges for council services (Appendix 1), except those marked 'for noting only – non-Cabinet approval', for implementation from 1 April 2023.
- b) Delegate authority to the Executive Director of Finance and Commercial, following consultation with the relevant Executive Director and relevant Cabinet member, to implement any increases prior to 1 April 2023 on an exception basis.
- c) Delegate authority to the relevant Executive Director(s) to amend the fees and charges if any appropriate corrections are needed, following consultation with the relevant Executive Director(s) and relevant Cabinet member.

Reason

To ensure that the Council sets fees and charges appropriately for 2023/24.

Commissioner Review

"The Commissioners are content with this report and the proposals."

2. Report

Introductory paragraph

- 2.1 By keeping the Council's fees and charges under review on an annual basis, this will contribute to the key priority of "A council that lives within our means, balances the budget and delivers best value for taxpayers and service users".
- 2.2 This report sets out the fees and charges that are proposed to be applied to services for the year 2023/24. This report asks Cabinet for delegated authority to implement the fees and charges earlier than April if needed, following consultation with the relevant Cabinet member.
- 2.3 Fees and charges provide significant funding support for the provision of those services that are charged for. Charges are set within the framework of the Medium Term Financial Strategy (MTFS), the Charging Policy and in accordance with legislative requirements.
- 2.4 This report provides the charging details of Council services. The fees and charges framework can be found at: [Slough Fees and Charges Framework](#)

Options considered

The fees and charges framework provides guidance to senior officers on the setting of new charges and policy context within which existing charges should be reviewed, the approach to cost recovery and the governance processes to follow to gain approval for services to be provided at a subsidy or a concession.

The options are as follows:

- Option 1 – keep the charges as currently set – this option would mean that any increases in the cost of services subject to a charge fall to the general taxpayer to fund. This is not an equitable or reasonable approach and is not recommended.
- Option 2 – increase all charges by inflation – this does not take account of the legislation framework for specific charges, nor does it take account of the equality impact or whether the cost of the service can demonstrably be shown to have increased by inflation. This option is not recommended.
- Option 3 – following a detailed review of the cost by services, set charges to take account of the inflationary pressure, the legislative regime and the equality implications. **This option is recommended.**

Background

Fees and charges will be reviewed annually with a strong supporting link to the medium-term financial planning process.

The main points are as follows:

- Fees and charges will be reviewed annually as part of the budget setting process.
- Income from charges for a service should not exceed the costs (over a relevant period of time).
- The general principle for charging is full cost recovery. Any deviation from this approach should be justifiable.
- Fees and charges will be approved (or noted where appropriate) by Cabinet each year and estimated income will be included in the budget. In year changes to fees and charges can be made by Executive Directors in accordance with the Scheme of Delegation and the fees and charges framework.

This report does not cover services provided by other public bodies under contract, nor does it apply to services provided under wholly or partly owned companies on a commercial basis. This report does not cover rental payments. A number of fees and charges are for services that are non-executive and must therefore be set by a committee or full Council. Whilst the fees and charges for these services are included in the Appendix, Cabinet is not permitted to make a decision on these and they will be considered by the Council's Licensing Committee, as the body with responsibility for setting licence and permit charges.

Changes proposed to fees and charges

This year, based on September 2022 CPI and the steep increase which is expected to continue, an inflationary assumption of 10% has been used and applied where applicable

A full list of the proposed fees and charges is set out in Appendix 1.

All key exceptions from the 10% increase are considered below, noting that some of these will not be for Cabinet approval.

Street Works

It is proposed that temporary traffic orders, crane, skip, cherry picker, scaffolding and section 50 licences are increased above the 10% threshold. The service has sought to bring the charges closer to full cost recovery but also to bring them in line with other similar authorities. The issue of licences for skips, cherry picker, scaffolding and section 50 licences are all non-executive functions and therefore a decision to increase charges for these is not a decision for Cabinet. A separate report is being taken to the Licensing Committee on these charges and these will be reported up to full Council for inclusion in the budget papers.

A new charging structure for temporary traffic signals is set to be introduced.

Highways

A nil increase is proposed to all highway charges as these have been reviewed and are at cost recovery. New charges in relation to removing obstructions on highways and hedges cutbacks have been introduced.

Parking

Resident parking permits and visitor vouchers are set to increase above 10% in order to better manage the parking capacity in residential areas and discourage inessential car ownership and use. This income will support the Council's move to more sustainable travel including through the implementation of additional Controlled Parking Zones (CPZ's). The parking team are to roll out a programme of Controlled Parking Zones (CPZs) instead of waiting restrictions as part of the Local Transport Plan Parking Strategy (Supplementary Strategy Document) approved by Cabinet. Each Controlled Parking Zone will include a public consultation. A paper is to be brought to Cabinet in February 2023 to discuss the option to provide discounted permits where applicants fit eligibility criteria.

A nil increase is proposed for carers, to take account of the Council's equality duties and the impact that an increase would have on individuals with disabilities. A nil increase is also proposed for business permits at the current time as we have very few users but this will be reviewed later in the year.

A nil increase is proposed to dispensations, suspensions, car park season tickets and pay and display bays. Current car park charges are in line with neighbouring private car parks and are not being increased due to low usage and a risk that the increased charges will disincentivise residents and visitors to use the town centre.

Highways Development

A nil increase is proposed on most of the fees and charges as the fee is a standard practice percentage of the cost of the works. It should of course be noted that as the cost of works may be affected by inflation, so the fee as a percentage thereof may also increase.

A 15% increase is proposed for section 38/278 agreements and minor highways work agreements in order to achieve cost recovery.

Traffic signal data and traffic flow are proposing an increase above inflation.

Street Naming & Numbering

It is proposed that street naming and numbering are increased above the 10% threshold in concurrence with a new charging structure to reflect the cost of works involved.

Adults – Social Care

The majority of charges are assessed charges based on multiple factors pertaining to the individual client, not on a rate card approach. Most of the Directorate's income is from assessed client contributions towards the cost of their care and support. Any changes to contribution levels are based on the clients' ability to pay as indicated by their financial assessment, in line with the 2014 Care Act. Each client's financial assessment is reviewed annually (or when there has been a material change in their circumstances), allowing for uplifts in income and applicable benefits to be considered in meeting future cost of care. There is therefore a limit to the Council's ability to increase charges beyond the index linked uplifts to the client's welfare benefits or pension, as such, any increase in income will contribute to mitigating any increased cost of provision.

Libraries

Traditional library fees such as print/copy fees, DVD hire etc are remaining the same. Fees related to overdue charges and lost/damaged books are increasing above inflation to bring the charges closer to full cost recovery.

Allotments

Charges for allotment rental charges are proposed to increase in January 2023 in line with September 2022 RPI of 12.6% as permitted under the current legislation This will be done under delegated authority as directors are permitted to agree in-year changes. Cabinet are being asked to confirm this increase should continue from 1 April 2023.

Burials and Cremations

Burials for residents and cremations are proposed to increase by inflation of 10%. Non-residents fees for new graves and interments are proposed to increase from double to triple the resident rate to bring the charges in line with other similar authorities, and prioritise burial space availability for residents.

In addition, a new fee charging structure relating to memorial permits varying on the size of the permit have been set.

Small percentage increases have been applied to ancillary products e.g. webcasting and audio-visual.

Waste Disposal

Charges for commercial waste were increased by RPI + 3% so 14.2% in January 2023 (under Officer delegation in consultation with the Lead Member) in response to a December 2022 price increase in the waste disposal contract. A further increase of 5% is

proposed to be applied on 1 April 2023 giving a total increase of just under 20% on the 1 April 2023 from those set last year.

There are no proposed changes to bulky waste.

New fees have been introduced since December 2022 for green wheeled bins for the collection of garden waste. This was reported in a separate Cabinet paper in July 2022 and the fees and charges have already been approved for the 2023/24 financial year.

Selective Licence/Houses in multiple occupation (HMO) Licence

The current licencing housing scheme runs until March 2024. These fees will be reviewed in 2023/24. Changing this scheme ahead of time would require consultation and it is therefore not proposed to change the fees for the financial year 2023/24 at this time.

Licensing

All proposed licence fees will be considered by the Licencing Committee on 6th February 2023.

Trading Standards

A 7% increase is proposed for Primary authority partnership schemes, which reflects the cost of providing the scheme.

Environmental Quality

A 12% increase is proposed for environmental searches to reflect cost recovery.

Hire of Venues

There are variations (5-10%) in the proposed percentage increase applied to the different venues across Slough. Included in this a few venue hires are proposed not to change as low demand continues following the pandemic.

Implications of the Recommendation

3.1 Financial implications

- 3.1.1 Full cost recovery for chargeable services is a key element of the Council's Fees and Charges Framework. This ensures that any increases in the cost of delivering chargeable services are reflected in the setting of fees and charges to avoid additional cost pressures on the council.
- 3.1.2 By increasing fees and charges by an inflationary factor of 10% in 2023/24 this may reduce the level of income losses in previous years, but more importantly it will help to ensure that the cost recovery position does not deteriorate further and reduces the pressure for much higher increases in future years. However some services are provided in competition with the market and increasing charges above a certain amount risks a reduction in demand and therefore a reduction in income. Where charges are not being changed in line with inflation, a reason for this has been given above.

3.1.3 The application of the service recommendation increases could result in total additional income of circa £1.048m in a full year, to offset the costs of service provision. £0.148m have their own budget savings proposals, thus the additional potential income that may be generated in 2023/24 excluding those amounts is £0.900m. This is indicative only as it is not possible to model whether demand for services will be materially affected by the proposed increases. The table below shows a summary of the potential impact across the main service areas:

	£m
Parking, Highways & Streetworks	0.049
Planning & Building Control	0.167
Local Land Charges	0.045
Registrars	0.037
Allotments	0.003
Burials & Cremations	0.259
Waste Disposal	0.168
Licensing	0.088
Hire of Venues	0.046
Children's Centres	0.038
SUBTOTAL	0.900
Saving Proposals already in the budget 2023/24	
- Increase charges parking permits	0.048
- Streetworks Road Closure Fees	0.100
TOTAL	1.048

3.1.4 There will be a review in due course to assess the impact of reduced demand following the price increases proposed within this report. This will inform whether any further adjustment is needed to the Council's medium-term financial plans.

3.2 Legal implications

3.2.1 Some services the Council provides are mandatory and governed by specific legislation whilst other services provided are discretionary. Discretionary Services are those which the Council is permitted to provide but not required to provide.

3.2.2 In the absence of specific powers or prohibitions on charging for services, the Council has the power to charge for discretionary services under Section 93 of the Local Government Act 2003 and under the power of general competence found in Section 1 of the Localism Act 2011.

3.2.3 The overall position on charging is that the Council must not charge for a service if legislation prohibits it from doing so. If legislation places a duty on the Council to provide a service and to charge for it, then it should. The power to charge for discretionary services is not available to local authorities if there is a statutory duty to provide the service. For some services the power to charge is contained in the statute which permits the Council to provide the service. In this case, this specific power must be relied upon as opposed to the general power to charge.

- 3.2.4 Charges may be set differentially, so that different people are charged different amounts e.g. concessions for older persons or people with a disability or on low incomes. When considering whether to subsidise services or offer a concession, the Council must balance its fiduciary duty to general taxpayers with its responsibilities to service users and other overarching duties, such as its equality duties.
- 3.2.5 The Council must generally ensure that taking one financial year with another the income from any charges for a service does not exceed the cost of providing the relevant service, as the Council is not permitted to use its charging powers as a taxation power. Any surpluses or under recovery of income should be addressed through a regular review.
- 3.2.6 In the fees and charges appendix to this report, the column titled 'Basis for charging' indicates whether the fee stated is prescribed by statute (as a set amount or up to an amount) in which case it is noted as 'statutory prescribed' or 'statutory discretionary' where legislation provides that you may charge for providing a service but the amount of the charge is discretionary, within the remit of the legislation e.g. the charge may be limited to cost recovery, reasonable cost or based on consideration of prescribed matters, or as 'discretionary' which is where the authority is not obliged to provide the service but if it does so then the charges are based on cost recovery pursuant to the statutory power to charge in Local Government Act 2003/Localism Act 2011.

3.3 Risk management implications

- 3.3.1 The Council faces continued pressure to find new income and savings to balance its annual budget. Central Government funding continues to fall short of inflation with councils expected to find answers internally to the continuous pressure on reducing public sector spend.
- 3.3.2 Increasing fees and charges could have an adverse effect on demand for the individual services. This will be monitored and reviewed closely during the coming year. Executive Directors have some ability to amend fees and charges mid-year where necessary.
- 3.3.3 It is proposed that a more in-depth review and assessment of fees and charges is undertaken in the coming financial year as some service areas are not fully recovering all their costs and will still not be in a full cost recovery position once the increases proposed have taken effect. The risk to the Council is that it will continue to be operating discretionary services at a loss and thereby contribute further to the financial difficulties faced by the council. It may therefore be necessary to review whether services should be continued if they are unable to generate sufficient income to cover the cost of service provision.

3.4 Environmental implications

- 3.4.1 There are no material environmental impacts from the development and implementation of the Fees & Charges and the changes detailed in the schedules to this report.
- 3.4.2 Any significant changes to the method of delivering services will be subject to an options appraisal, a part of which will be to assess any environmental consequences of the proposed changes.

3.5 Equality implications

3.5.1 Section 149 of the Equality Act 2010 created the public sector equality duty. Section 149 states that:-

A public authority must, in the exercise of its functions, have due regard to the need to:

- a. Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- b. Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- c. Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

3.5.2 The relevant protected characteristics are age, race, disability, gender reassignment, pregnancy and maternity, religion or belief, sex and sexual orientation.

3.5.3 When making decisions in relation to service provision, the Council must take account of the equality duty and in particular any potential impact on protected groups. Each proposal has been prepared in accordance with the Council's charging policy

3.5.4 An initial equality impact assessment has been completed on the increase in fees and charges. No negative impact on protected groups have been found. The price increases affect a range of services. Service users comprise all equality groups as they are all potentially users of these services, although it is accepted that some services will be used by certain groups to a greater extent than others. Many of the fees and charges in existence are focused on the business sector rather than residents, such as trade licences and construction related activity.