

CABINET	AGENDA ITEM No. 5
16 OCTOBER 2023	PUBLIC REPORT

Report of:	Executive Director of Corporate Services and S151 Officer	
	Councillor Andy Coles, Cabinet Member for Legal, Finance and Corporate Governance	
Contact Officer(s):	Cecilie Booth, Executive Director of Corporate Services and S151 Officer Emma Riding, Service Director Financial Management and Deputy S151 Officer	Tel. 452520

SALES, FEES AND CHARGES REVIEW

RECOMMENDATIONS	
FROM: Cabinet Member for Finance and Corporate Governance	Deadline date: N/A
<p>That Cabinet</p> <ol style="list-style-type: none"> 1. Endorses the increases in Fees and Charges as outlined in this report 2. Recommends to Full Council the approval of the increases to Fees and Charges as set out in this report. 	

1. ORIGIN OF REPORT

1.1 An annual review of Sales Fees & Charges comprises part of the Council's Budget setting process. The Council have commissioned specialist external support to work with colleagues to undertake a review to inform the 2024/25 budget setting process.

2. PURPOSE AND REASON FOR REPORT

2.1 This report provides an overview of the activity being undertaken as part of the comprehensive review of Sales Fees and Charges and proposes some increases for immediate implementation.

This review provides a consistent framework for approach in setting, monitoring, and reviewing fees and charges across all services. This will ensure fees and charges are set at a level that optimises income generation and take into account:

- Council strategies, plans and objectives
- Risk appetite
- Legislative constraints

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	YES	If yes, date for Cabinet meeting	16/10/23
Date for relevant Council meeting	06/12/23	Date for submission to Government Dept. (Please specify which Government Dept.)	N/A

4. BACKGROUND AND KEY ISSUES

4.1 Councils across the country are facing significant levels of financial challenges, largely driven by reduced Government Funding, pressures from high rates of inflation and increasing demand for services. The Council is currently developing its budget for 2024/25 to address a budget gap of £5.1m (as reported in July- [agenda item 11](#)). In addition to this there is currently a projected overspend of £5.1m in 2023/24, which the Council is putting measure in place to address as a matter of urgency.

Income is a key facet in the Council's financial planning, with approximately £35m (7.5%) of the revenue budget funded from sales, fees and charges. Therefore, the Council commissioned external specialists to work alongside officers in reviewing sales, fees and charges to support the refresh of the Medium Term Financial Plan and inform budget setting for 2024/25. There are a number of key deliverables from the work, including:

- The development and implementation of a sales, fees and charges Policy
- Review of the current levels of Sales Fees and charges
- Provision of tools and techniques to support the Council in embedding a systematic and sustainable approach to reviewing sales, fees and charges.

The outcomes of the review will form part of the annual budget process, however during the review it was identified that there were a number of areas where pricing changes could be implemented from 1 January 2024.

Emerging Fees and Charges Policy

A sales, fees and charges policy is currently under development and it is intended to be proposed to full Council on 21 February 2024 as part of the 2024/15 budget report. The emerging policy is based on a framework that recognises that a "one size fits all" approach is not appropriate for a complex organisation with diverse services, such as a Council, and therefore segments services via two key criteria:

- The **degree of legislation** impacting on the service area (for example many planning fees are set by central Government, whereas the only regulation set around charges for Taxi Licensing relate to limiting charges to full cost recovery)
- The **degree of competition** in the environment they are operating within (for example, the number of other car parking options available to car users)

Developing options

The review is also focused on developing implementation options for the policy, which includes working with services to make recommendations to amend prices. To maximise the impact of the review a phased approach is being taken:

- **Phase 1** – Focusing on services with income from sales, fees and charges that exceed £1m annually (including services such as car parking, waste and regulatory services)

- **Phase 2** – Focusing on services with income from sales, fees and charges that are between £0.5-1m annually (including services such as registrars, building control and CCTV)
- **Phase 3** – Provision of tools and techniques to all services and a review of discretionary pricing not covered in Phases 1 & 2.

Proposals for Implementation from 1 January 2024

During Phase 1 of the review a number of areas were identified for early implementation. The table below provides an overview of the charges that are proposed to be implemented from 1 January 2024.

Table 1: Early implementation Sales Fees and Charges

Id	Charge (Service Area)	Existing Charge	Proposed Charge	Expected Impact 2023/4 (£m)	Expected Impact 2024/5 (£m)
1	Garden Waste Collection (Annual) – Additional Collections (Waste Management)	£25.00	£50.00	0.000	0.101
2	Dispensation from Parking Restrictions – Daily Charge	New Charge	£15.00	0.005	0.010
3a	Parking Bay Suspensions – administration fee	New Charge	£20.00	0.002	0.004
3b	Parking Bay Suspension – daily charge	New Charge	£20.00	0.003	0.006
4	Residents Parking Permits – 2 nd and 3 rd Permits and Visitor Permits (annual)	£44.00	£70.00	0.010	0.020
5	Daily Charge – Cherry Lodge (External Users)	£520.00	£613.00	0.010	0.046
	Total (£m)			0.030	0.187

Supporting Information

1. The proposed change in price of “**Additional Collections**” for **Garden Waste** is to remove the differential in charge between the first and additional Garden Waste bin, therefore removing any inequality in charging.
 - The Council currently charges £50pa for the first Garden Waste collection and £25pa for any additional bins.
 - Of the 19 Statistical and nearest neighbours who charged for Garden Waste, only 2 others offered a reduced price for additional collections. On average, the councils charged an average of £5 extra for additional bins.
 - There are approximately 4,500 additional Garden Waste bins collected each year;
2. A **Dispensation from Parking Restrictions** is an exemption provided to a vehicle where there is a requirement to access restricted areas such as pedestrianised zones, for example to carry out building works:
 - Currently the Council process and provide these dispensations at no cost, although the Council incurs costs in administering and enforcing the scheme.
 - Many councils, particularly councils with predominantly urban areas, seek to recover these costs through applying a charge to applications.
 - There are a variety of charging structures utilised by other councils but a comparator group of nearest neighbours demonstrated that charges ranged from £10-35 per day
 - This will enable the Council to better manage the process of parking dispensations, recover costs administrative associated and mitigate loss of income.

3a & b Parking Bay Suspensions are required when there is a need to temporarily remove access to an on-street parking bay, this includes building or development sites that require access using on street parking bays and/or if there is the need to place a skip or similar in a parking bay:

- The Council can recover both the administration costs associated with processing an application and income lost due to space unavailability.
 - The Council processes applications free of charge and does not recover any associated costs or lost income.
 - Most other Councils invoke an administration fee for processing the dispensation and a daily charge.
 - Administration fees at comparator councils range from £7 to £50.
 - Daily Charges from comparator councils range from £10 to £45.
 - In general, councils that have a lower administration fee charge a higher daily rate, and vice versa e.g. Cambridgeshire charge £7 administration fee and £45 daily charge, Hampshire £50 administration fee and £10 daily charge.
 - The proposal of a £20 administration fee and a £20 daily charge is in the middle range for both fees.
4. The Council currently administers approximately 4,500 permits for **On Street Parking in Residential Zones** and applies a uniform administration charge of £44 for each permit, regardless of type. Households can receive a maximum of 3 residents permits and 1 visitor permit. The purpose of the parking permits is to enable free movement of traffic, including to enable residents to access parking close to their homes:
- Other councils' resident parking permit structures vary significantly, with some councils providing them for free and ranging up to £860 per year in Islington.
 - However, most councils charge between £35 and £70pa for first permits, but many have a graduated permit system, for example:
 - a. Derby City Council charge £35 for a first permit and £60 for additional permits.
 - b. Sheffield City Council charge £51.40 for a first permit and £102.80 for an additional permit).
 - c. Sandwell Council charges £30.90, £36.05 and £49.45 for first second and third permits respectively.
 - d. City of York Council charges £99.95 for a first permit, £220 for a second and £440 for a third permit.
 - Included in the 4,500 permits issued are approximately 1,700 visitor permits. These are not assigned to an individual vehicle and there is some empirical evidence of these being applied for in preference to residents permits (which are assigned to a single vehicle).
 - The increase in cost to 2nd, 3rd and visitor permits will support free movement of traffic, incentivise applications for the first residents permits attached to a single vehicle and is also aligned with the Councils environmental agenda.
 - Visitor permits for individual sessions will still be available at £22 per 10 sessions.
5. **Cherry Lodge** is a Council owned children's home that offers short breaks and shared placements to children and young people aged 5-19. It is primarily provided for the use of Peterborough residents, but approximately 20% of usage is funded from external sources. Currently the Council is not recovering the full costs from external organisations. The revised charge is to recover the full cost from all external organisations contributing to or paying for placements within the service.

Areas for implementation 1 April 2024

In addition to the areas for implementation from 1 January 2024, other areas under consideration are set out below.

Table 2: Sales fees and Charges amendments from 1 April 2024

Id	Charge (Service Area)	Proposed Change	Expected Impact 2024/5 (£m)	Expected Impact 2025/6 (£m)
1a	Garden Waste Collection (Annual) – (Waste Management)	Increase charge of Garden Waste bins from £50 to £55 per year	0.099	0.099
1b	Bulky Waste Collection (Waste Management)	Increase charge of Bulky Waste collections from £23 for 5 items to £30 for 5 items	0.030	0.030
2a	Residential car parking permits (Parking)	Increase charge of residents permits from £44 to £50 per year	0.023	0.023
2b	On and off street car parking (Parking)	Introduce standard charging hours for on and off street car parking 7am to 8pm (and introduce free overnight parking in all PCC car parks with exception to Sand Martin House multi storey and surface car park these will be reviewed separately)	0.043	0.073
2c	On and off street car parking (Parking)	Increases to on and off street car parking tariffs, removing maximum stay period from on street and restructuring tariff bands (to align with introduction of automatic numberplate recognition system in car parks)	0.126	0.196
3a	Cremation charges (Bereavement Services)	Increase of cremation charges by 2%	0.044	0.044
3b	Interment charges (Bereavement Services)	Increase burial charges by 7%	0.014	0.014
3c	Exclusive rights of burial (Bereavement Services)	Change term for exclusive rights of burial from 60 to 75 years and increase fee proportionately	0.041	0.041
4	Planning pre-application fees (Planning)	Introduce charges for minor and householder preapplication advice	0.025	0.025
5	Adult social care charges (Adult Social Care)	Revise Adult Social Care Charging Policy and remove automatic Disability Related Expenditure allowance	-	0.090
6	Land charges (Legal Services)	Increase commercial land charges	0.012	0.012
	Total (m)		0.457	0.647

Supporting Information

1a. The proposed increase in the charge to **Garden Waste Collection** is to reflect the fact that the cost of service delivery has increased since the price was last reviewed in 2021. Since this time, the high rates of inflation have driven up costs including fuel and the National Living Wage.

- Of the 19 statistical and nearest neighbours analysed, the mean average for garden waste bins in 2023/24 is £50.93. Amongst nearest neighbours, the average charge is £54.67, with the highest of these being Melton Borough Council at £78. These are anticipated to increase as other Councils review their charges for 2024/25.
- The proposal is to consider increasing the price by £5 to reflect increasing costs of delivering services and to reflect the price of other Councils.
- There are currently 9,500 customers who access the service by direct debit, it is more efficient for the Council for customers to pay by direct debit, therefore a £5 discount could be offered to further encourage residents to take up this payment option.

1b. The proposal is to increase the charge for the collection of up to five items of **bulky waste** from £23 to £30.

- The council's charges for bulky waste collections are in the lower quartile of the 28 councils compared against, with the number of items which can be included in a collection in the upper quartile.
- Increasing the charge for a collection to £30 while still allowing up to 5 items will put the charge at the mean level.
- A number of studies have been identified which show that there is no link between bulky waste charges and fly tipping rates. The most comprehensive of these was published by WRAP, a climate action group which specialises in recycling issues, in September 2021.

2a. The proposal is to increase the cost of **residential car parking permits** (first resident permits) to £50 per year.

- Charges for residential car parking permits vary significantly with areas of large cities attracting higher charges.
- The proposal is to increase the prices to reflect the charges of other medium to large urban areas in the local area.
- Residential permit charges are usually only applied in urban areas, and prices in neighbouring councils include:

Table 3: Residents Parking Benchmarking

Council	Area	Cost (annual cost)
North Northamptonshire	North Northamptonshire	£35
Cambridgeshire	Huntingdonshire	£26
Cambridgeshire	Cambridge	£54-102
Lincolnshire	Stamford	£50
Lincolnshire	Grantham	£50

2b&c. The proposal is to consider restructuring **On and Off Street Car Parking Charges** to better manage the free movement of traffic by developing a consistent approach to charging on and off street and to better reflect user behaviour. Proposed options include:

- Removing the 'evening tariff' at the Councils off street car parks, introducing a single (car park specific) charging structure from 7am-8pm and then allowing for free overnight car parking from 8pm.
- Aligning the charging hours of on-street car parking with those in off street car parks to embed a consistent 7am-8pm charging structure.
- Reviewing on-street parking charges (aligned to the roll out of new infrastructure) and removing maximum stay periods from on street bays.
- Restructuring parking tariffs in individual car parks to better reflect changing customer behaviour.
- **Applying an inflationary price increase to all parking tariffs as a minimum.** Further exploration of options to be completed to ensure income is maximised, whilst still remaining competitive with other city centre parking options.

3. Proposals to **Bereavement Charges** including cremations and burials include:

- Increase cremation charges by 2%. The Council is currently amongst the highest priced local authority. Therefore, an increase in price significantly below the prevailing rate of inflation is proposed.
- Burial charges vary significantly regionally and nationally but the charges at the Council are within the normal range of similar authorities regionally and nationally, therefore an increase of 7% is proposed that is in line with inflation.
- Practice varies significantly amongst local authorities about the length of term of the lease where customers purchase an exclusive right of burial. The Council currently offers a 60-year lease, the option being considered is to increase this term to 75 years

and reduce the price per year from £24 to £23.33. This reflects a number of queries from customers seeking to extend the initial 60 year period.

4. The proposals are to re-introduce a service to offer planning pre-application advice to minor and householder developments for **Planning Applications**.
 - Currently the Council only offers pre-application advice from major applications as the option to purchase pre-application advice was removed due to the lack of capacity in the planning team. However, the current approach has led to a number of householder (23%) and minor (39%) applications being amended after submission which is resource intensive and inefficient.
 - Therefore, reinstating and charging for pre-application advice is anticipated to generate income, increase a small amount of capacity in the planning team and deliver a better service. To support this the opportunity to amend applications free of charge will be removed.

5. The option being proposed is to remove the automatic application of disability related expenditure to clients who are receiving a financial assessment for **Adult Social Care**.
 - The Council, like other upper tier councils, offers financial assessments to those who access social care to calculate the correct contribution to their care from a service user. Part of this calculation is to calculate any existing expenditure related to their disability (which could include services such as a contribution to cleaning costs or goods such as the cost of an electric wheelchair). This expenditure is then deducted from the total amount that a client might be asked to contribute towards the cost of their care. The Council currently applies an automatic “minimum” level of disability related expenditure of £10, £15 or £25 per week depending on the level of disability. Expenditure in excess of this is then calculated and included.
 - Benchmarking data has shown that although some other councils apply an automatic “minimum” level of disability related expenditure it is in the minority. In 2023/24, approximately 72% of all service users had the ‘minimum’ level applied suggesting that if this was removed the level of disability related expenditure would reduce and client contributions increase.
 - It should be noted that to implement this, a review of the Adult Social Care charging policy from January 2016 will be required, including public consultation, which is not scheduled ahead of the 2024/25 and therefore additional income is not forecast until 2025/26, once full consultation has been undertaken.

6. An option is being proposed to apply and increase commercial land charges to align with those currently applied in geographical near neighbours Cambridge City and South Cambridgeshire Councils.

Other Areas of Investigation

Review of Environmental Crime Fines

The Prime Minister Anti-Social Behaviour Action Plan which launched in March, set out how they would help councils to take tougher action against those who harm our public spaces. Taking proportionate and effective enforcement action against people who intentionally or carelessly damage their local environment to change behaviour and deter others from offending.

One of the actions has been to increase the upper limit of fixed penalty notices for environmental crimes such as fly tipping, duty of care, littering, and graffiti offences. A full review of fixed penalty notices issued for environmental crime will be undertaken by the Council in the Autumn to be incorporated within the final Sales Fees and Charges schedule as part of the budget report.

- The maximum amount those caught fly-tipping could be fined will increase from £400 to £1,000

- The maximum amount those who litter or graffiti could be fined will increase from £150 to £500
- The maximum amount those who breach their household waste duty of care could be fined will increase from £400 to £600

Other Arrangements

The review has also identified a number of other areas that are outside the scope of sales, fees and charges but will support greater income generation for the Council. These largely focused on intra-council charging where the Council is providing services for other Councils. Work alongside service areas identified a number of areas where the full cost of delivering these services (including central costs) were not being recovered from other Councils. These are subject to commercial discussions between Councils so are not detailed in this report.

5 CORPORATE PRIORITIES

5.1 Ensuring the Council has its Sales, Fees and Charges set at an appropriate level and that they are reviewed annually is one of the Council will measure the success of delivering against the following City Priority:

- 'Supported by a Sustainable Future City Council - adjust how we work, serve, and enable, informed by strong data and insight capability, and led by a culture of strong leadership.

6. CONSULTATION

6.1 The review of Sales, Fees and Charges review is part of the budget setting framework.

The proposed charges as set out within this report were presented to the Growth, Resources and Community Scrutiny Committee on 14 September. The Committee considered the proposals and requested no changes to be considered by Cabinet.

7. ANTICIPATED OUTCOMES OR IMPACT

7.1 The Council is expecting to generate additional income of £0.030m in 2023/24, £0.644m in 2024/25 and £0.834m from 2025/26 onwards, as a result of the recommended changes outlined within this report.

The policy and fully reviewed Sales fees and charges schedule will form part of the 2024/25 budget report.

8. REASON FOR THE RECOMMENDATION

8.1 The outcome of this review will support the Council in setting a lawful and balanced budget for 2024/25 and increase income in the current year 2023/24.

9. ALTERNATIVE OPTIONS CONSIDERED

9.1 Keep Sales, fees and charges as per current, however, this is not affordable in the short or medium term and does not ensure that the Council is obtaining Value for Money.

10. IMPLICATIONS

Financial Implications

- 10.1 The Council is expecting to generate additional income of £0.030m in 2023/24, £0.644m in 2024/25 and £0.834m from 2025/26 onwards, as a result of the recommended changes outlined in tables 1 and 2 of this report.

Legal Implications

- 10.2 The report is seeking approval for Cabinet to recommend to Full Council the changes to the fees as set out in the report as approval of the increases to the fees and charges is a function reserved to Full Council.

Some services are mandatory and governed by specific legislation, and there are some statutory fees and charges which are set nationally. Other services are discretionary, and fees and charges can be set locally. The Council has a general power to charge for discretionary services under Section 93 of the Local Government Act 2003 ("LGA 2003") and under the power of general competence found in Section 1 of the Localism Act 2011 ("LA 2011").

The Council must not charge for a service if legislation prohibits it from doing so. If legislation requires the Council to provide a service and to charge for it, we are required to do so. In the absence of specific powers or prohibitions on charging for services, the Council may use the powers in either s93 of the Local Government Act 2003 or s1 of the Localism Act 2011 to make charges for discretionary services. The Council cannot use these powers to make a profit, however the Council can include the full cost of all aspects of the service provision when calculating the costs.

Prior to a decision on the proposed changes to the fees and charges by Full Council an equalities impact assessment will need to be undertaken.

Equalities Implications

- 10.3 To be completed in advance of the Council meeting on 6 December 2023

Carbon Impact Assessment

- 10.4 To be completed in advance of the Council meeting on 6 December 2023

11. BACKGROUND DOCUMENTS

- 11.1 None

12. APPENDICES

- 12.1 None

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