

## For publication

### Fees and Charges 2024/25

<b>Meeting:</b>	Cabinet
<b>Date:</b>	12 December 2023
<b>Cabinet portfolio:</b>	Cabinet Member for Finance and Management Cabinet Member for Health and Wellbeing
<b>Directorate:</b>	Finance Leisure, Culture and Community Wellbeing
<b>For publication</b>	

#### 1.0 Purpose of report

- 1.1 This report sets out the revised policy for fees and charges and the proposed fees and charges for 2024/25, which have been developed in alignment with the Councils overall budget strategy and thematic interventions.
- 1.2 The increase in fees and charges will support the Council in achieving a balanced budget for 2024/25.

#### 2.0 Recommendations

- 2.1 To approve the fees and charges policy as set out in **Appendix A**
- 2.2 To approve the proposed fees and charges as set out in **Appendix B**, from 1 April 2024.
- 2.3 To note that the fees and charges for Open Markets, Car Parking, Venues, Leisure, and Outdoor Grass Football Pitches will be subject to separate reports.

#### 3.0 Reasons for recommendations

- 3.1 To comply with the Council's Budget Strategy for recovering fees and charges to contribute to the costs of service delivery.

#### 4.0 Report Details

##### Background

- 4.1 Like all local authorities, Chesterfield Borough Council continues to face significant financial challenges. The sustained period of austerity since 2010,

the ongoing risks and uncertainties over future funding arrangements, the budgetary impacts of the Covid-19 pandemic, the cost-of-living crisis and a sustained period of exceptionally high inflation, have all impacted on the Council's financial position.

- 4.2 The Council's Budget Strategy was approved by Council on 19 July 2023 and set out the need to drive out savings at pace, within a framework that was prudent, responsible, sustainable, and optimised to secure savings in the short- and medium-term to reduce and remove reliance on reserves, stabilising the Council's financial position and establishing affordability of Council services.
- 4.3 A detailed approach to addressing the budget gaps has been worked through with the Council's Corporate Leadership Team (CLT) and Cabinet portfolio holders over the past few months drawing on the thematic interventions set out in the Budget Strategy.

### **Increasing income and Establishing Stronger Commercial Operating Principles.**

- 4.4 The current economic climate and the prevailing high rates of inflation mean that the costs of delivering services are increasing, making it more important than ever that all services are delivered as efficiently and effectively as possible, embedding commercial operating principles to how budgets are set and managed. It is imperative that all budget holders are focused on minimising costs and waste and maximising appropriate income opportunities. This includes the need to ensure that fees and charges are regularly reviewed to ensure that wherever possible the costs of service delivery are recovered, and that there is no cross subsidy from other service areas. This is particularly important for areas of discretionary spend, where the Council does not have a statutory responsibility to deliver the service.
- 4.5 The process for reviewing the level of income has been revisited to take account of emerging factors including the prevailing economic conditions and the Council's fees and charges has been reviewed following a deep dive into all key income generating areas. This corporate approach to effective management of fees and charges will ensure the Council maximises commercial opportunities to generate income from the delivery of chargeable services. Consideration has also been given to what opportunities there are for new income generation from statutory and non-statutory services.

### **Fees and Charges Policy**

- 4.6 A key part of the fees and charges review is the development of the policy, which is attached in **Appendix A** and sets out the Council's approach to charging across the breadth of services.

- 4.7 The policy has been developed to recognise best practice nationally and to be tailored to Chesterfields circumstances with a focus on:
- understanding the total cost of delivering a service,
  - the need for a consistent and transparent process and
  - an appreciation of statutory and or regulatory restrictions on fees and charges.

### **Approach to Setting Fees and Charges**

- 4.8 It is recognised that there are a range of different factors to consider in setting fees and charges including legislative requirements and constraints, the full cost of delivering services, benchmarking with other local authorities and potential impacts upon other policy objectives.
- 4.9 As a minimum, where legislation allows, a full cost recovery model will be adopted, though there will also need to be due regard to the Council's concessionary policy, to include the recovery of both controllable costs and overheads. The revised fees and charges policy explores options for increasing rates on a more frequent basis to ensure that cost pressures are recovered.
- 4.10 It is recognised that moving to a full cost recovery model may not be immediately possible for all services, due to the existing level of charge and the increase required to get to a balanced position. In these circumstances a phased approach to full cost recovery, over a two-year period, will be adopted.
- 4.11 Assessments of all fee generating services have been undertaken to establish how they meet the Councils strategic purposes, the level of increase that is proposed and present economic conditions. The fees have been based on a robust estimate of the impact of cost increases and demand within the services and the Councils overall financial position. This includes assessing the affordability of any of these increases to our residents and customers. Increase in service delivery cost include:
- Increases in utilities cost.
  - Inflationary increases (September CPI 6.7%) resulting in increases in supplier costs and materials.
  - Recent pay award for 2023/24 which has resulted in a higher than budgeted pay increase for staff.
  - Service specific issues relating to cost increases or service usage.

### **Proposed Fees and Charges for 2024/25**

- 4.12 The proposed fees and charges are set out in **Appendix B**. The appendix sets out the proposed fee together with the overall percentage increase for 2024/25.

- 4.13 The appendix excludes fees and charges in relation to Open Markets, Car Parking, Venues, Leisure, and Outdoor Grass Football Pitches. The increases in these areas are part of a wider proposal in relation to these areas and will be subject to separate reports to Cabinet in January and February 2024.

### **Impact on the 2024/25 Budget**

- 4.14 Full cost recovery for chargeable services is a key element of the Council's fees and charges policy. 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.
- 4.15 The estimated impact of the increase in fees and charges, set out in the **Appendix A**, will be incorporated within the 2024/25 Medium-Term Financial Plan recommended to Council in February 2024.

### **Budget Conversation**

- 4.16 The Council will engage with residents and stakeholders on an ongoing basis through the budget process. A 'budget conversation' was launched in November, initially providing a general update on the Council's budget, and capturing feedback on the thematic interventions and the generality of the savings proposals via a questionnaire. There will also be focussed pieces of consultation and engagement on specific savings proposals with relevant stakeholder audiences throughout the budget conversation process. A budget conversation webpage has been established with key information.

## **5.0 Alternative options**

- 5.1 The Council can set the level of charge for each discretionary services but must have regard to the 2003 statutory guidance (General Power for Best Value Authorities)<sup>1</sup>.
- 5.2 The Council is under a general duty to secure that the income from charges for service does not exceed the cost of provision. However, the Council does not have to recover the full cost of providing the service if there are policy reasons for limiting the charge.
- 5.3 The Council has a legal duty to set a balanced budget for 2024/25 the recommendations in this report will generate additional income which will help towards a balanced position for 2024/25.

## **6.0 Implications for consideration – Financial and value for money**

- 6.1 The financial implications are set out in the body of the report.

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<https://assets.publishing.service.gov.uk/media/5a78eb9240f0b6324769b340/151291.pdf>

## **7.0 Implications for consideration – Legal**

7.1 The law requires the Council to set a balanced budget. In doing so the Council may decide to recover costs for discretionary services it provides in accordance with law and guidance and on the basis set out in this report.

## **8.0 Implications for consideration – Human resources**

**8.1** There are no human resources implications associated with the suggested fees and charges.

## **9.0 Implications for consideration – Council Plan**

9.1 In preparing the budget estimates for the coming financial year and updating the MTFP, detailed consideration has been given to the need for the Council's finances to be at appropriate levels to enable the Council to deliver in full on the priorities, objectives, and commitments that it has set itself within the new Council Plan 2023 - 2027.

9.2 The preparation of sustainable and balanced budgets over the medium term is also a key activity in contributing to delivery of the third Council Plan priority 'building a more resilient council.'

## **10.0 Implications for consideration – Climate Change**

10.1 Climate Change is a key consideration in the development of the Council's annual budget and MTFP. Climate Change Impact Assessments are undertaken for specific spending options and activities and form a key part of the Council's decision making.

## **11.0 Implications for consideration – Equality and diversity**

11.1 The proposed Fees and Charges Policy sits alongside the Council's Concessions Policy, which benefits the users of council services who live, work and/or study in Chesterfield, but also includes visitors to the area. Concessions apply to a variety of people based on income disadvantage, age and other key groups. People that meet specific eligibility criteria to receive a concession will benefit from the reduced rate of charge which will help make services more affordable and therefore more accessible to them providing more equal opportunity for social involvement.

11.2 The charging models set out in the policy are designed to allow flexibility in pricing and enable external market conditions to be considered. This method can be used as a phased implementation to full cost recovery to mitigate against the impact on customers.

11.3 An Equality Impact Assessment is attached at **Appendix C**.

## 12.0 Implications for consideration – Risk management

Description of the Risk	Impact	Likelihood	Mitigating Action	Impact	Likelihood
Inability to cover costs / unit costs do not present value for money	M	L	Benchmarking against other council to ensure that fees are competitive	H	L
Reduction in demand and in customer base due to current economic climate	M	M	Open dialogue with customers about what level of service is required and ensuring the correct charges are applied	M	M

### **Decision information**

<b>Key decision number</b>	
<b>Wards affected</b>	

### **Document information**

<b>Report author</b>	<b>Contact number/email</b>
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<b>Background documents</b>	
These are unpublished works which have been relied on to a material extent when the report was prepared.	
<i>This must be made available to the public for up to 4 years.</i>	
<b>Appendices to the report</b>	
Appendix A	Fees and Charges Policy
Appendix B	Schedule of Proposed Fees and Charges 2024/25
Appendix C	Equality Impact Assessment