

## Budget & Corporate Overview & Scrutiny Committee

Date of Meeting: 5 December 2024

Report by: The Finance Portfolio Holder and Assistant Chief Executive (Finance) & Chief Finance Officer

**Subject: PROPOSED FEES AND CHARGES 2025**

### **1. EXECUTIVE SUMMARY**

- 1.1. To receive the content of the Executive report for discussion at Budget & Corporate Overview & Scrutiny Committee which invited the Executive to determine the fees and charges to be set by the Council for provision of services from 1 January 2025 (unless otherwise stated), where the law allows a charge to be made.

### **2. RECOMMENDATIONS**

2.1. **The Executive was requested to consider the report and, if satisfied, to:**

- (a) **Approve the fees and charges as detailed in Appendices A to E to take effect from 1 January 2025 (unless otherwise stated) or the earliest feasible date thereafter.**
- (b) **Note the proposed variations to fees and charges in comparison to the prevailing inflation rate detailed in the report.**
- (c) **Note that the statutory fee charges in respect of Licensing will be submitted to the Licensing Committee on 6 February 2025.**
- (d) **Note that Directors, following consultation with Portfolio Holders, are delegated to vary charges or introduce new charges during the year.**

### **3. REASONS FOR RECOMMENDATIONS**

3.1. To ensure the Council receives income from fees and charges where allowable to contribute to the funding of services and to assist the Council in preparing its Revenue Budget for 2025/2026.

### **4. THE CURRENT POSITION**

4.1. The current fees and charges that can be set by the local authority were approved by Executive on 22 November 2023. These are considered annually in advance of their implementation on the 1 January each year. The existing charges are included within the detailed Appendices. A number of fees and charges within Children's Services are established on the basis of the academic year.

### **5. DETAILS**

#### Economic Context

- 5.1. In determining the fees and charges for services it is appropriate that consideration is given to the wider economic context and recognise the factors that impact upon the service provision costs. Reference to the wider level of Consumer Price Index (CPI) and increases in employee costs have been considered in determining the level of increase that reflects the associated costs of service provision.
- 5.2. The Office for Budget Responsibility (OBR) published its 'Economic and Fiscal Outlook' on 30 October 2024. This outlined the forecast inflationary impact across the current calendar year and medium-term period, as set out below:

<b>CPI Inflation</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
OBR	2.5	2.6	2.3	2.1	2.1
Bank of England	2.7	2.5	1.8		
External Average	2.5	2.2	2.2	2.4	2.3

5.3. It is recognised that a significant proportion of the costs which the authority is recovering through fees and charges are driven through pay related activity. It is therefore appropriate that this is taken into consideration when determining a standard increase in fees and charges.

- 5.4. Agreement was reached nationally on 22 October 2024 for the 2024 pay award for local government services ('Green Book') employees covering the period 1 April 2024 to 31 March 2025. An increase of £1,290 (pro rata for part-time employees) to be paid on all NJC pay points 2 to 43 inclusive with an increase of 2.5% on all pay points above points 43 and below Chief Officer. This agreement equates to an average pay award of circa 3.5%. The National Living Wage is also due to rise from April 2025 from £11.44 ph to £12.21, an equivalent of 6.73%.
- 5.5. It is also important to consider the impact of the increase in employers' National Insurance Contributions from 13.8% to 15% as announced in the Budget of 30 October 2024 that will extend the costs of service provision.

#### Medium Term Financial Strategy (MTFS) – Context of Review

- 5.6. The Council will require significant further net savings to be delivered to achieve a balanced 2025/2026 Revenue Budget. The Medium-Term Financial Strategy (MTFS), as considered by Executive on 6 March 2024, recognised the need to achieve forecast net savings of £15.7 million in 2025/2026 and £47.7 million over the medium term to 2028/2029.
- 5.7. The MTFS assumptions incorporate a commitment to continue to explore income generation opportunities and to maximise income from fees and charges. It is also implicit that fees and charges should increase proportionately in line with the cost of providing services so that the net cost of services does not increase in real terms. The authority must also seek to ensure recovery of costs in the provision of its fees and charges.
- 5.8. Where appropriate a range of Policy decisions also impact on the level of fees and charges, for example the use of concessions and discounted rates for some charges which are set out either in the Fees and Charges Schedules or other Charging/Income Policies.

#### Review of Fees and Charges for the 2025 Calendar Year

- 5.9. In considering the preparation of the 2025/2026 Revenue Budget it is proposed that increases in fees and charges should be recommended where considered feasible given the prevailing market sensitivities and demand, this being in accordance with the Council's stated intention to maximise revenue from fees and charges. The level by which it is proposed to increase fees and charges reflects the trends in inflation and pressures resulting from the recently agreed pay award. It is therefore proposed to apply a 2.7% increase for inflationary pressures to fees and charges except where there is a sound basis for proposing alternative pricing.
- 5.10. A number of fees and charges that the authority is required to administer are set by statute and, therefore, the authority is unable to influence any impact arising from increases within those affected services.

5.11. There are also some charges which are required to reflect the cost of providing the service (also called Full Cost Recovery), and these prices have been adjusted accordingly. It is recognised that the authority is subject to exceptional pay and price pressures that will, in certain scenarios, lead to levels of increases in fees and charges that would not normally be required.

5.12. A summary table of the general principles applied to the fees and charges review is set out below:

Fees and charges for residents and organisations	2.7%
Statutory Fees	As externally set

5.13. There are also some instances where charges are very small and the increase may appear significantly higher or lower than inflation purely because of rounding the charge to the nearest appropriate amount, generally, in these instances increases have generally been rounded to the nearest 5p.

5.14. This report details, through the appendices, the current charges, the proposed variations and the resulting proposed charge for 2025. The Appendices, indicated below, detail the various charges which the Executive is invited to consider:

Adults' Services	Appendix A
Children's Services	Appendix B
Finance and Corporate Services	Appendix C
Environment	Appendix D
Chief Executive	Appendix E

5.15. All fees and charges in the appendices are shown net of Value Added Tax (VAT). Where VAT applies to a charge then the gross charge including VAT is also shown. In some instances, VAT may or may not apply in respect of a particular service depending upon the recipient of the service or the purpose of the service.

5.16. The following proposals have been identified where the new charge varies significantly from the principles set out above, applied to the base position, with the exception of statutory charges or where variation are small amounts in monetary terms.

**(a) Adults' Services**

There are a number of services where increases are proposed that vary from the standard proposed uplift figure. This is due to charges being based on full cost recovery. Further information in respect of each charge is provided in the notes for each item shown in **Appendix A**. Financial Assessment will determine the level of a service user's financial resources and the amount, which the

service user is required to pay towards the cost of meeting their needs through care and support services. Further information in respect of each charge is provided in the notes for each item shown in **Appendix A**.

**(b) Children's Services**

There are a limited number of services where increases are proposed that vary from the standard proposed uplift figure. This is due to a revision to the fee structure. Further information in respect of each charge is provided in the notes for each item shown in **Appendix B**.

Music charges and school transport related charges were reviewed for implementation for the start of the academic year; and, therefore, reflect the existing pricing structure. The charges for these services will be reviewed during 2025, ahead of the 2025/2026 academic year.

**(c) Finance and Corporate Services**

There are a number of services where there has been no increase (being predominantly in respect of certification activity in Registration Services), these are in respect of statutory charges as set out in **Appendix C** and, therefore, the fees and charges are set within the statutory framework.

A number of fees within Finance are set by statute and therefore no increases are proposed. The price for council tax legal proceedings and the issuing of a Liability Order Summons require approval from the Magistrates Court. A request to update these fees in line with the cost of providing the service has been requested and will be implemented once agreed.

**(d) Environment**

A number of services within the directorate are subject to statutory fees and charges and/or limited to cost recovery only – these are predominantly in respect of services within Community Regulation and Planning.

**Market Trading:** It is proposed to remain at the current rate due to the risk of the loss of additional traders from the market, with alternative markets offering preferential rates this year

**Planning and Building Control:** The levels of fees and charges for Building Control reflect requirements that stipulate that levels be determined to provide a break-even position over a three-year period and an increase in costs relating to new regulations for Building Control staff. Planning pre-application fees have been uplifted to address the December 2023 Town and Country Planning regulations in a consistent manner.

Parks and Open Spaces: A proposed freeze in charges in respect of fitness groups is proposed to promote health and well-being across the Borough.

Parking: The charges for town centre parking have for the most part been frozen since 2016/17 to encourage visitors into the town centre. The Executive propose to continue, and if possible, extend the free parking offer as an important part of this Administration's priority to stimulate economic growth in the Borough. Other parking charges for parking have been increased to bring the Council more in line with the offer boroughs, and thereby catch-up inflation. This increase in charges will assist in continuing to be able to offer free parking in the town centre.

Further information in respect of each charge is provided in the notes for each item shown in **Appendix D**.

**(e) Chief Executive**

There has been a general application of the standard 2.7% increase to the fees and charges within this service area. Further information in respect of each charge is provided in the notes for each item shown in **Appendix E**.

**Occupational Health Charges**

These charges are commercially sensitive and to avoid being disadvantaged in a competitive commercial environment these charges are no longer reported. Officers are authorised to agree charges for individual contracts at commercially competitive rates based on guideline prices agreed in consultation with the Portfolio Holder. No charge may be agreed at less than the cost to the Council in providing the service.

**6. ALTERNATIVES CONSIDERED AND REJECTED**

- 6.1 The Constitution delegates authority to manage the Revenue Budget and report back to Full Council as appropriate in line with Part 12 (the Financial Procedure Rules) where required, therefore no alternatives have been considered.

**7. KEY IMPLICATIONS**

<b>7.1. Legal Issues</b>	The proposed charges have regard to the various statutory requirements regarding the Council's ability to
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	set fees and charges.
<b>7.2. Policy Issues</b>	The Medium-Term Financial Strategy (MTFS), reviewed by Executive on 11 September 2024 requires that fees and charges are maximised as far as practicable having regard to what the market will bear and policy decisions of the Council. This is to protect services and minimise the costs otherwise falling to all Council Taxpayers.
<b>7.3. Resource Issues</b>	<p>In considering the preparation of the 2025/2026 Revenue Budget it is proposed that any increase in fees and charges should be increased where considered feasible given the prevailing market sensitivities and demand, this being in accordance with the Council's stated intention of maximising revenue from fees and charges. The level by which it is proposed to increase fees and charges reflects the trends in inflation. It is proposed to apply a 2.7% increase for inflationary pressures to fees and charges except where there is a sound basis for proposing alternative pricing.</p> <p>A number of fees and charges that the authority is required to administer are statutorily set and therefore the authority is unable to influence any impact arising from increases within the affected services.</p> <p>There are also some charges that are required to reflect the cost of providing the service (also called Full Cost Recovery), and these prices have been adjusted accordingly. It is recognised that the authority has been subject to exceptional pay and price pressures that will, in certain scenarios, lead to levels of increases in fees and charges significantly above those that would normally be required.</p> <p>The income from the proposed charges will be included in the draft Revenue Budget submitted to the Executive on 22 January 2025</p>
<b>7.4. Risks</b>	<p>The risk in setting any fee and charge is that it does not provide, due to potential volatility in demand and usage, the projected income. In addition, a significant increase in charges may discourage the public from using a service resulting in an overall reduction in income.</p> <p>The budget is prepared on the basis of prudent estimates of potential income and there is a robust system of budget monitoring in place to enable action to be taken where significant variation are experienced</p>

<b>7.5 Environmental Implications</b>	Consideration is given to the environmental impact of setting fees and charges and where possible will encourage behaviour that supports the Council's aims to reduce carbon emissions.
<b>7.6 Equalities Impact</b>	<p>In preparing this report, due consideration has been given to Bedford Borough Council's statutory Equality Duty to eliminate unlawful discrimination, advance equality of opportunity and foster good relations, as set out in Section 149(1) of the Equality Act 2010.</p> <p>A relevance test has been completed in respect of the general proposal to increase fees and charges broadly in line with inflation. The equality test determined that the activity has no relevance to Bedford Borough Council's statutory equality duty to eliminate unlawful discrimination, advance equality of opportunity and foster good relations.</p> <p>Where the proposals increase to a fee or charge being higher than the rate of inflation (other than in the case of higher increases in small changes resulting from rounding) a relevance test and, where required, an equality analysis has been conducted in respect of the specific proposal.</p>
<b>7.7 Impact on Families</b>	This report has no new implications for Families. Investment in Family services will be included as part of the overall 2025/2026 budget.
<b>7.8 Community Safety and Resilience</b>	This report has no specific implications for Community Safety and Resilience.
<b>7.9 Impact on Health and Wellbeing</b>	This report has no specific implications for Health and Wellbeing.



## 8. SUMMARY OF CONSULTATIONS AND OUTCOME

8.1. The following Council units or Officers and/or other organisations have been consulted in preparing this report:

Finance Portfolio Holder  
Corporate Leadership Team

All comments have been taken into consideration in the preparation of this report.

## 9. CONTACTS AND REFERENCES

Report Contact Officer	<i>Julie McCabe, Assistant Chief Executive (Finance) and Chief Finance Officer e-mail: <a href="mailto:julie.mccabe@bedford.gov.uk">julie.mccabe@bedford.gov.uk</a></i>
File Reference	
Previous Relevant Minutes	<i>Minute 48: Executive, Wednesday 22 November 2023</i>
Background Papers	None
Appendices	<i>Fees and Charges for:  A – Adults’ Services B – Children’s Services C – Finance and Corporate Services D – Environment E – Chief Executive</i>