

CABINET

8 December 2022

Corporate Fees and Charges

Report of the Strategic Planning Manager

Recommendation

It is recommended that Cabinet approve all proposed fees and charges in the report and Appendices A to I to come into effect on the dates outlined in the report.

Summary

Fees and Charges for Council services are reviewed on a regular basis. In accordance with the Budget Plan, fees and charges levied by the Council are reviewed annually with the intention of any changes being introduced, where possible, with effect from January 2023. This report contains the fees and charges for services directly overseen by Cabinet. The increases in this report will be budgeted to achieve an additional yield of £536,808 in 2023/24 which is in line with the Medium-Term Financial Plan.

Statutory Powers

Section 151 of the Local Government Act 1972

Section 93 of the Local Government Act 2003

Environmental Protection Act 1990

Strategic Implications

1. This report relates to a range of Corporate Plan objectives and the Council's principle of operating in a business-like, commercially focussed way. The report reflects the Council's approach to minimise the levels of (compulsory) Council Tax while seeking to cover Council costs from fees and charges from discretionary services.
2. The proposals in many areas promote health and wellbeing by setting discounted rates for community or non-commercial groups; they also help tackle deprivation by providing discounted rates for individuals experiencing socio-economic deprivation. The report reflects the Council's Climate Emergency and Excellent Environmental objectives in applying the highest possible penalties for environmental offences such as littering, flyposting and

graffiti. The report includes fees payable by developers for mitigating impacts on the environment from development.

Introduction

3. The purpose of this report is to outline proposed changes to corporate fees and charges levied for services by the Council and approved by Cabinet. A minimum increase in yield of 10.1% for all fees and charges should be implemented, where possible, from January 2023, reflecting the national CPI level of inflation as of July 2022.
4. Service Managers consider their fees and charges in the context of service development in addition to recognising the Council's policy to generate additional funds by way of maximising the yield from all income sources.
5. There are other fees and charges within the Council's Budget to which an inflationary increase cannot apply. These income streams are mainly grants or related to contracts and therefore cannot be increased to raise further income.
6. Changes in demand that arose during the COVID-19 pandemic continue with respect to off-street parking (see below). In many areas there is uncertainty relating to current national economic factors including the Cost of Living Emergency. The Council's usual financial monitoring processes will track actual performance and any budget adjustments will be reported to Cabinet and incorporated into the Medium-Term Financial Plan.

Budget Devolution

7. Councillors should note that following Cabinet approval in September 2012, the following services are devolved to Local Area Committees and therefore the fees and charges for these areas are now set by those Committees:
 - Car Parking (off street);
 - Cemeteries;
 - Itchen Valley and Lakeside Country Parks;
 - Outdoor sports facilities.
 - (Allotments no longer appear on this list due to transfers to parish councils.)
8. Local Area Committees have the discretion to set fees for services devolved to their Areas, subject to compliance with the corporate target to generate an additional minimum yield from fees and charges of 10.1%.
9. Car parking (off-street) income continues to recover, in most areas, but user behaviour remains difficult to predict, generally because of the hybrid working environment for office-based workers. The current Cost of Living Emergency is also having an unfavourable impact on car parks' usage. The corporate yield target has been applied to this area, however an ongoing review by the Parking Working Group will determine the correct level of pricing for off-street

car parks and devolved budgets will be adjusted accordingly. (On-street parking fee levels are to be determined by Hampshire County Council, following the notice to withdraw the Agency Agreement with the Council.)

Services Managed Directly by Cabinet

10. There are a number of services that are overseen by Cabinet and these services are listed below with their respective appendix references.

Appendix	Description
A	Arts and Culture
B	Neighbourhood Services
C	Health and Wellbeing
D	Planning and Economy
E	Environment
F	Finance and Housing
G	Asset Management
H	Organisational Development
I	Strategic Planning and Governance
J	Local Operations

Arts and Culture (Appendix A)

11. Arts and Culture staff have reviewed the fees and charges and the proposed increases are in line with other market providers. All other fees and charges have been amended based on what is considered an acceptable level for the client base. Theatre hire for performance & conferences will only have one rate as opposed to the usual community and commercial rate. Where settlements exceed an agreed level, a proportion of the settlement will be retained, representing a commercial hire. This is expected to increase the amount of income generated by the service.

Neighbourhood Services (Appendix B)

12. Due to the termination of the Highways Agency Agreement some of the Engineering and Parking fees and charges will cease from the 1 April 2023.

13. Garden Waste Service: The Executive Head of Neighbourhood Services has reviewed the fees and charges for this service and recommends that the various Garden Waste Service charges are increased. For example, a standard 50-week service for a new user will increase by 9.76% (£4.00) to £45.00. The increase would generate an additional income of £103,540.
14. Trade waste: Increases of individual contract charges do vary across the existing customer base dependent on the value of the contract and the existing yield which the contract delivers. In total, trade waste charges are expected to provide an additional increased yield of £95,900 which equates to 10.1%.
15. Tree Nursery: Charges for sponsorship of tree planting are being reviewed, with two planting days scheduled for the last quarter of the financial year and further events likely to be held in 23/24. Charges will be set as part of planning for these events, such that yield targets and the objectives of the Tree Nursery business case are achieved.
16. Car parking income has been recovering but remains below 50% of pre-pandemic levels; user behaviour has changed, generally because of homeworking or hybrid working patterns of office-based workers. Income levels may be reduced by the current Cost of Living Emergency which is also having an unfavourable impact on car parks' usage. However the Council has included a 10.1% yield increase, but the Parking Working Group will review the income strategy during the financial year and adjust as necessary. Any changes will be reported to Cabinet.
17. All other proposed fees and charges in Neighbourhood Services are in line with the recommended level of 10.1%.

Health and Wellbeing (Appendix C)

18. Places Leisure Eastleigh: The operator (Places for People) and Council staff have reviewed the charges for January 2023 onwards, taking into account usage trends, operational costs, recent investments, competitors' pricing policies and the customer's ability to pay.
19. Proposals were presented to the Places Leisure Eastleigh Consultative Group on the 4 October 2022 and proposed charges were approved by this Group for consideration by Cabinet.
20. The fees and charges at The Hub leisure centre at Bishopstoke Road playing fields will increase by the corporate yield target of 10.1% from 1 April 2023.
21. Houses in Multiple Occupation (HMO) Licensing fees were not increased during the initial 5-year cycle, which will end in 2023. The charge will be increased by up to 44%; such an increase is now necessary to bring Eastleigh

Borough Council charges in line with other local authorities across Hampshire and to accurately reflect the actual resources needed to process an application and administer the HMO licensing scheme. The remainder of the housing fees have been increased to reflect the 10.1% yield target.

22. Caravan site licensing charges are recommended to increase by the 10.1% yield target.

Planning & Economy (Appendix D)

23. The overall fees increase for Development Management will generate an additional 12% income. It is difficult to predict with great accuracy the income as the rate of planning applications may be affected by national economic conditions. In recognition of the complexity and value of the pre-application process, the greatest increase in fee and resultant income, is focused within this area.
24. A modest increase in Land Charges is proposed to cover increased costs, primarily associated with services provided by Hampshire County Council. Overall income for this service has reduced as “non-fee earning” personal searches are becoming increasingly common.
25. We will be increasing the rent charged at the Sorting Office in line with the 10.1% inflation rate.
26. A new charge has been introduced for S106 monitoring fees.

Environment (Appendix E)

27. Many of the Environmental charges are set nationally through legislation. Other fees and charges have generally been increased in line with costs and it is anticipated that in total the service will generate an income yield increase in line with the corporate target through demand.
28. Animal Welfare and Collection of Stray Dogs: Charges have been amended based on an updated projection of staff time and the costs associated with this. An exercise has been undertaken to simplify and reduce the number of fees and charges here to better reflect what is advertised.
29. Due to the complexity of the Licenses fees and charges the Administration Committee will be approving the 2023 charges at the next committee. Due to this, Licenses (for Pleasure Boats, Hackney Carriages, and miscellaneous licences) are not included in this report.
30. Councillors will be aware that the administration of the Taxi and Hackney Carriage Licensing Service transferred to Southampton City Council in 2016. The service is a ring-fenced service and is required to break even.

31. For other charges relating to environmental regulation i.e. Environmental Health training courses and various vendor licences, it is proposed that the price be increased by 10.1% and it is anticipated that in total the service will generate an increased income yield in line with the corporate target.
32. Since 2020 the Council has had to introduce new fees for developers for environmental mitigations, in relation to nitrates, phosphates, and Suitable Alternative Natural Green space (SANG) to mitigate recreational impact on the New Forest. These are shown in Appendix E and are proposed to be introduced with immediate effect.
33. The phosphate charge is proposed to change from a 'per dwelling' to a 'per credit' charge which removes the risk of under-recovery of income by the Council compared to charging on a per dwelling basis. The level of mitigation per dwelling can vary depending on site specifics and the wastewater treatment works used by the site. The proposed charge is in line with the market for phosphate mitigation.
34. The increased SANG charge arises from a review of the Council's interim strategy adopted in March 2022 and reflects the costs of implementing a revised scheme. This is set out in more detail in a separate report on the agenda for this meeting.
35. All charges are proposed to be index-linked to reflect any inflationary costs of delivering mitigations.

Finance & Housing (Appendix F)

36. Court cost charges within the revenue service have increased by 12% to bring them in line with other local authorities.

Asset Management (Appendix G)

37. The Asset Management Service fees have been increased by 10.1% to match the required yield. These prices are still deemed to be reasonable in the market. The fee for administration on garage lettings has been increased by 50% to reflect the actual cost of this work.
38. The Council proposes to increase fees for hiring meeting rooms at Eastleigh House in line with the corporate yield target of 10.1%.
39. The Council intends to introduce new charges for events requiring use of Council land or staff time. Charges are currently being considered as part of the detailed budget planning process and will be set in proportion to the size and complexity of the event.

Organisational Development (Appendix H)

40. Roundabout sponsorship fees are being increased by 4.9%. The remainder of the yield is being met through an increase in demand.

Governance (Appendix I)

41. Fees for chargeable Legal work are proposed to be increased by between 20-25% depending on the nature of the work.

Local Operations (Appendix J)

42. The Local Response Team currently undertake the deployment of the Speed Limit Reminders (SLRs) / Speed Indicator Devices (SIDs) for the Local Area Committees. The fee has been increased to £85 to achieve the yield target of 10.1%.

Risk Assessment

43. There is always a risk that proposed charges will not yield the overall anticipated 10.1% additional income target for the Budget. The impact of changing the fees and charges needs to be balanced against the impact on demand, giving rise to changes in overall yield; this will be monitored closely during the quarterly Corporate and Financial Performance processes throughout the year.
44. Where the Council is increasing fees, in combination with the general inflationary and interest rate pressures on business and household finances arising from the national economy, there may be a reduction in use of fee-charging services.

Financial Implications

45. The table below shows the estimated income yield increases across services for 2023 as a result of the proposed fees and charges. Further work on future income levels for services will be completed as part of the upcoming budget process which will review all income levels.

Arts and Culture	£15,442
Neighbourhood Services	£384,050
Health and Wellbeing	£2,697
Planning & Economy	£112,315

Environment	£10,343
Finance & Housing	£461
Asset Management	£1,840
Governance	£4,813
Organisational Development	£3,347
Local Operations	£1,500
Total	£536,808

Equality and Diversity Implications

46. Any service equality and diversity implications will have been considered by service managers as part of their Service Planning processes. There are no specific equality and diversity issues associated with this report which simply presents a summary of Cabinet-controlled fees and charges.
47. The Council must reflect the cost of services in its changes to fees, particularly where the service is discretionary and residents have the choice not to use the service or use a commercial provider. However, the Council is keen to play its part in addressing the Cost-of-Living Emergency. Where concessionary rates are offered (Garden Waste, Bulky Waste, Pest Control), the fee increase is proposed to be less than the increase for the non-concessionary rate.

Climate and Environmental Emergency implications

48. Climate and Environmental Emergency implications are predominantly managed through the service planning process.

Conclusion

49. The Council undertakes an annual review of all fees and charges. Where possible, the review reflects the Council's Budget requirement to achieve an increase of 10.1% in yield. The above increases will be budgeted to achieve an additional yield of £536,808 in 2023/24. Where possible, fees and charges will be increased with effect from January 2023.

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Appendices Attached: 10: A to J (in one pdf document)

LOCAL GOVERNMENT ACT 1972 - SECTION 100D

The following is a list of documents which disclose facts or matters on which this report or an important part of it is based and have been relied upon to a material extent in the preparation of this report. This list does not include any published works or documents which would disclose exempt or confidential information.

None