

# CABINET

## Corporate Fees & Charges 2025/26 14 January 2025

### Report of Chief Officer (Resources)

PURPOSE OF REPORT				
The report asks Members to endorse the Fees and Charges Policy for 2025/26 and also to consider a range of charging options as deemed appropriate to the service area.				
Key Decision	Y	Non-Key Decision		Referral from Cabinet Member
Date of notice of forthcoming key decision	16 December 2024			
This report is public				

#### RECOMMENDATIONS OF COUNCILLOR Hamilton - Cox

- (1) That Cabinet endorses the Fees and Charges Policy as set out at Appendix A, and during 2025/26 as part of the mid-year budget strategy review determines whether any other areas of income generation be explored further for 2025/26 onwards.
- (2) That for 2025/26, Cabinet endorses the freezing of selected fees and charges as detailed within section 3 with particular reference to Car Parking charges, Salt Ayre Sports Centre, Markets and Rodent Control.
- (3) That Cabinet endorses the application of inflationary increases to fees and charges across all remaining areas as appropriate, as reported as part of the current 2025/26 budget setting process.
- (4) That Cabinet endorses a £1 per bin increase (2.2%) in contribution towards households using the opt-in garden waste collection service, thus making the annual cost of the service £46 per bin.
- (5) That Cabinet endorses the introduction of new fees and charges within Planning & Climate Change as detailed in section 3.7.

## 1.0 Introduction

- 1.1 Inflation means that the cost of delivering Council services has also increased. Charging for some local services, where appropriate, makes a significant contribution to council finances and the delivery of the Council Plan which in turn bring benefits to local communities. (Note that all fees and charges within this report are stated exclusive of VAT). The level of income generated by fees and charges and in particular projected increases which the Council can influence, form a key part of the council's financial planning and is therefore reflected in the Medium Term Financial Plan.

## 2.0 Proposal Details

### 2.1 GENERAL POLICY

This report sets out the proposed fees and charges framework for 2025/26. The current policy was last considered by Cabinet at its meeting on 16 January 2024 and a copy is attached at **Appendix A**. No substantive updates of the policy are being proposed at this stage.

- 2.2 In terms of fee increases, as part of the 2024/25 budget setting process, Council agreed increases largely to make good the value of fee income eroded by previously rates of inflation. The impact of these increases have now been reviewed.
- 2.3 For certain charging areas, a 'freezing' of fees and charges for a period of one year (2025/26) is considered appropriate. Income budgets have been reviewed and adjusted as appropriate, allowing for a more accurate, achievable position. Income generation areas which fall within this convention and new areas of charging are discussed further within section 3 of this report.
- 2.4 Following review with Officers, where it is feasible that an inflationary increase can be achieved, inflation has been included in line with the percentage reported as part of the 2025/26 budget setting process.
- 2.5 In support, **Appendix B** provides a listing of the General Fund fees and charges for 2023/24 actuals, the 2024/25 original budget plus mid-year review position and the 2025/26 latest draft budget. This shows that the total estimated base income to be generated from fees and charges (including rents) is now projected to be £19.598M next year. Of this total, around £17.071M has been subject to increase or freeze as appropriate. The majority of the remaining income relates to statutory fees, commercial charges, general cost recovery and fixed contracts. As such these income areas allow for little or no discretion in setting fee increases (aside from any consideration of market share etc). Furthermore, certain fees such as various licensing fees cannot by law be set by Cabinet.
- 2.6 From Appendix B, it can be seen that between 2024/25 and 2025/26 gross income from comparative fees and charges is expected to reduce from £19.642M to £19.598M, representing a reduction of £0.044M before any expenses are deducted. However, it should be noted that the projected gross income for

2025/26 is higher than the anticipated outturn for 2024/25 by £0.469M when comparing against the figures reported to Cabinet as part of the Q2 quarterly monitoring report.

- 2.7 Where fees and charges are to change in line with policy and/or the budget, these will be amended through existing Officer delegations and therefore no Cabinet decision is required – and so no detail is provided within this report. It should be noted that in exercising their delegated authority, Officers may well consider groupings of charges for similar or related activities and within those groupings, they may vary individual fees (or concessions) above or below inflation, for example – but as long as in totality, it is reasonable to assume that the relevant income budget will be met and the variances do not go against any other aspect of policy, then no Cabinet decision is required.
- 2.8 Separate to the annual budgeting exercise, if there are any significant matters arising during the course of a year, such as in cost, market forces or service levels, which materially affect current service costs and revenues, then relevant fees and charges should be reviewed. If it is reasonable for them to be adjusted in year, to keep within the budget framework, then the Chief Officer has delegated authority to do so, as long as any fee or charge under question was not explicitly approved by Members during the last budget process. Any such changes must be reported to Cabinet retrospectively as part of usual quarterly monitoring arrangements.
- 2.9 Cabinet is requested to indicate whether there are any other specific areas for income generation that it wishes to consider as part of its budget development, primarily for 2025/26 onwards, on top of those already included.

### **3.0 OTHER SPECIFIC CHARGING CONSIDERATIONS**

#### **3.1 Environment & Place: Garden Waste**

The current price of a subscription is £45 per annum and within the calendar year of 2024 there were just under 24,000 subscribers resulting in income of £1.079M towards the general fund's net financial position. Retention levels had a marginal decrease following the previous £4 price increase.

There are a number of issues surrounding waste collection at the moment, these include :-

- The government recently provided details of the waste strategy which includes proposals to introduce weekly food waste collection from April 2026. It also allows local authorities to carry on charging for garden waste collection
- Increase in price can lead to a reduced number of subscriptions, which could possibly lead to the income target not being achieved
- The charge is a contribution towards the cost of providing the service: it does not represent full cost recovery. The costs of delivering the service eg staffing, fuel, vehicle maintenance have of course increased significantly

On this basis it is proposed to increase the charge by an amount of £1 to £46 which represents a 2.2% annual increase. Assumptions with regards to overall impact of this in terms of subscription numbers have been included within the draft budget for 2025/26 and will be monitored closely throughout the financial year.

### 3.2 Environment & Place: Rodent Control

The treatment of rodent infestations from domestic and business premises is a service that the Council offers and is delivered by the pest control team. National data suggests that there has been a significant rise over the last few years and to avoid a situation where the customer would choose not to use the service due to pricing, it is proposed to freeze the price of rodent control for the following financial year.

### 3.3 Environment & Place: Salt Ayre Leisure Centre

As included within this report to Cabinet last year in relation to fees and charges at SALC:-

*“It should be noted that nationally public leisure faces significant challenges due to the energy crisis and constraints surrounding employee costs. Therefore, Members should be aware that increasing fees does come with risk and these can be described as follows :-*

- *Price increase may result in a reduction in existing membership levels, resulting in a potential loss of income*
- *The centre is fundamentally dependant on a membership base of c.3,700 members. A risk in a decrease of new uptake of memberships – footfall may reduce considerably if residents do not have the disposable income to pay for the membership*
- *A drop-off in the volume of membership renewals resulting in lower income levels*
- *Secondary spend levels reduced which will affect income in all areas of the leisure due to reduction in footfall and disposable income*

*Any approved increases will be closely monitored during the usual corporate monitoring arrangements during 2024/25 and reported as appropriate.”*

Salt Ayre Leisure Centre (SALC) generates a significant amount of income to support the net cost of its operation. As detailed in section 2.2 and as part of the 2024/25 budget setting process, higher than usual inflationary increases were recommended. Subsequently, within 2024/25 targeted price increases were implemented throughout the centre and membership plus overall visitor numbers have reduced. For information the membership numbers have significantly reduced to c.3,200. When considered against projected income target of £3.744M, the projected shortfall reported to Cabinet as part of Q2 corporate financial monitoring exercise amounted to an adverse variance of £0.261M.

As part of the work undertaken between Officers of SALC and Accountancy which feeds into the budget process for 2025/26, a full review of base budgets took place and more reasonable, achievable budgets have been proposed as part of the draft budget amounting to £3.642M which represents a reduction of £0.102M against 2024/25 originally approved levels. It is requested that this figure is not inflated and all fees and charges are frozen for a period of one year in order to protect and grow the client base.

Again, this is an area which will be scrutinized closely during the usual corporate monitoring arrangements within 2025/26 and reported as appropriate.

#### **3.4 Governance: Parish Council Elections**

Parish Councils currently pay £120 for an uncontested election which is to offset the cost of producing nomination packs, processing nominations and producing and advertising statutory notices. No increase to this charge has been made since 2017.

If an election is contested at the scheduled elections, a parish will be charged only for the full cost of ballot papers and postal packs as the city council elections take place on the same day. For any contested parish or parish ward by-elections that take place outside the 4 yearly cycle, the full cost of the election is charged to the parish.

It is proposed to increase this charge to £130 representing an increase of 8.33%.

#### **3.5 Governance: Licensing**

The annual review and setting of licence fees are delegated to the Licensing Committee. For the purposes of this report and the draft budget, fees have been inflated in-line with the reported position to Cabinet as part of the 2025/26 budget process.

The next meeting of the committee is scheduled for 6<sup>th</sup> February 2025 and should any recommended changes with a financial impact be approved then these will need to be monitored as part of the usual corporate monitoring arrangements prior to inclusion in the draft budget as part of the 2026/27 budget process.

#### **3.6 Housing & Property: HMO Licensing**

HMO Licensing was introduced in 2006 and the latest fees charged were last reviewed in 2022. As part of the digitalisation project the fees have been reviewed and changes proposed to how they're collected in accordance with recognised practice on a cost recovery basis.

The draft budgets have been updated to take account of the annual fluctuations

that a five-year cyclical charge creates.

A copy of the new proposed fee scales are attached at Appendix C.

### 3.7 **Planning & Climate Change: Application Fees**

As part of the 2024/25 budget process, the Government enabled planning fees to be increased and subsequently the Council agreed to an income generation proposal which were expected to generate a further £0.100M within 2024/25 and onwards. The latest monitoring information (Q2) reported to Cabinet 3 December 2024 highlighted a shortfall in this area in relation to reduced levels of planning fee/pre application income due to downward projection in major planning applications. For further information, the base budget for 2025/26 has been adjusted according and therefore reduced by £0.160M.

To mitigate this, Officers of the Planning & Climate Change Service have proposed the introduction of two new charges:-

#### Fast Tracked Planning Applications

Offering an enhanced planning service aimed at minor applications (including changes of use), householder planning applications and lawful use/discharge of condition applications. This would be a 'fast track' service for the customer from receipt of the planning application through to a decision. It is proposed that certificate of lawful use applications and discharge of planning applications also fall within the offering.

#### Invalid Application Administration Charge

Around 60% of all planning applications received by the service are invalid. This has a significant impact on time and resources and puts pressure on the technical team and causes delays for our clients.

The new charge aims to improve the quality of applications submitted to the planning service and increase the number of valid applications at first submission. This will help to focus resources on the processing of valid applications rather than managing invalid submissions.

The proposed charges will be on a fair charging basis and full details can be found at **Appendix D**.

### 3.8 **Sustainable Growth: Car Parking**

Off-street car parking is a key council service which helps to support the Council's statutory and extensive provision of discretionary services.

As part of the review of the fee structure for 2024/25, tariffs were increased on average by 10% following a period of sustained cost inflation. Monitoring suggests that whilst marginally down, the predicted outturn is within an acceptable tolerance of the total income budget. Based on this information and

consideration of the wider context it is recommended that car parking charges are not inflated and are frozen at current levels for 2025/26.

### 3.9 Markets

The Council operates three markets within the district:-

- Morecambe Market
- Charter Market
- Assembly Rooms

Since the pandemic, Morecambe Market and the Charter Market have both struggled with footfall issues and subsequently the traders have left. The ability to attract traders has become very difficult and whilst marketing drives are ongoing, invariably income levels have reduced significantly and the base budgets have been reduced to achievable levels as part of the draft budget process.

Therefore, in order to protect the business, it is requested that fees and charges within this area are not inflated and frozen for 2025/2026.

### 3.10 Outcomes Based Resourcing

As part of the ongoing Outcomes Based Resourcing/Fit for the Future process (OBR/FftF), Cabinet and subsequently Council, reserve the right to alter any fees and charges whilst staying within the boundaries of the policy. Should any service areas be reviewed further under this process then they will be identified separately as appropriate and built into future year projections within the usual 2025/26 budget process arrangements.

## 4.0 Details of Consultation

- 4.1 This report forms part of the Council’s budget proposals which will be consulted on as part of that exercise. Specific elements of this report will also be shared with organisations that have a particular interest.

## 5.0 Options and Options Analysis (including risk assessment)

	<b>Option 1:</b> To support the inflationary increases/freezes as outlined in the report.	<b>Option 2:</b> To not support the inflationary increases/freezes as outlined in the report.
Advantages	Fees and charges contribute further to the general fund net position.	Maintains the cost of services at 24/25 levels or at less than proposed in this report.

	Costs of delivering Council services have increased as has demand in some areas. Not increasing costs means that further pressure is created on the Council's ability to deliver its core services.	
Disadvantages	The draft revenue budget has been prepared with the inclusion of the items raised in this report. Any further proposals would require further consideration prior to being fed into the budget process.	Costs of delivering Council services have increased as has demand in some areas. Not increasing costs means that further pressure is created on the Council's ability to deliver its core services.
Risks	Increasing fees to higher than suggested levels would most likely result in further resistance and potentially not achieve the targets originally set.	Cost of living increases and the return from the pandemic have reshaped people's habits. The income targets already set may not achieve projected levels in 24/25, resulting in a shortfall within the accounts.

## 6.0 Officer Preferred Option (and comments)

6.1 The Officers preferred option is Option 1.

## 7.0 Conclusion

7.1 Fees and Charges are reviewed on an annual basis and as outlined within the report, significant factors have become apparent as to why differing treatment is required within a couple of areas. It is felt that the recommendations made are of a fair nature and in-line with the attached policy.

### RELATIONSHIP TO POLICY FRAMEWORK

Fees and charges form an integral part of the budget setting process, which in turn relates to the Council's priorities. Under the Medium Term Financial Strategy (MTFS), income generation is a specific initiative for helping to balance the budget.

### CONCLUSION OF IMPACT ASSESSMENT

**(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)**

The proposed increases are considered to be fair and reasonable; generally, equality considerations are provided for within the attached policy.

### LEGAL IMPLICATIONS



Local authorities have a variety of powers to charge for specific statutory services.

The Local Government Act 2003 also provides a power to charge for discretionary services. Authorities are under a duty to secure that, taking one year with another the income from charges for these services do not exceed the cost of provision.

The power to charge for discretionary services is therefore on a cost recovery basis only and is not available if there is a statutory duty to provide the service or if there is a specific power to charge for it or if there is a prohibition on charging.

Additionally, the Localism Act 2011 provides local authorities with the general power of competence that confers on them the power to charge for services but again subject to conditions/limitations similar to those noted above.

Where authorities have a duty to provide a statutory service free of charge to a certain standard, no charge can be made for delivery to that standard, however delivery beyond that point may constitute a discretionary service for which a charge could be made.

#### **FINANCIAL IMPLICATIONS**

As set out in the report and further detailed financial implications are included in the relevant appendices. With regard to the fees and charges being considered as part of the Outcomes Based Resourcing process, these are subject elsewhere to agreement by Cabinet and Council. Any further proposals to increase fees would require further consideration and would need to be fed into the budget process as appropriate.

#### **OTHER RESOURCE IMPLICATIONS**

**Human Resources:** No specific resource implications.

**Information Services:** No specific resource implications.

**Property:** No specific resource implications.

**Open Spaces:** No specific resource implications.

#### **SECTION 151 OFFICER'S COMMENTS**

The Section 151 Officer has been consulted and has no further comments.

#### **MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments.

#### **BACKGROUND PAPERS**

None

**Contact Officer:** Andrew Kipling

**Telephone:** 01524 582143

**E-mail:** [akipling@lancaster.gov.uk](mailto:akipling@lancaster.gov.uk)

**Ref:** n/a