

**Report for: Cabinet**

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Date of Meeting:	9 January 2024
Subject:	2024/25 Fees and Charges
Cabinet Member:	James Buczkowski – Cabinet Member for Finance
Responsible Officer:	Andrew Jarrett – Deputy Chief Executive (S151)
Exempt:	N/A
Wards Affected:	All
Enclosures:	Appendix 1 – Proposed 2024/25 Fees and Charges for approval Appendix 2 – 2024/25 Fees and Charges to note

**Section 1 – Summary and Recommendation(s)**

To present to Member's the proposed Fees and Charges for 2024/25 for approval/noting.

**Recommendation(s):**

**That Cabinet:**

- 1. Agrees the proposed Fees and Charges from 1 April 2024 set out in Appendix 1;**
- 2. Delegates approval to the Deputy Chief Executive (S151) for those discretionary fees to increase annually in the future in line with September CPI inflation, or potentially above annual inflation where the market will bear it following a review by the relevant Policy Development Group.**
- 3. Notes the proposed / agreed Fees and Charges in Appendix 2 which have / will be approved through alternative routes as outlined in Para 1.4.**

## Section 2 – Report

### 1. Introduction

- 1.1. Mid Devon District Council charges the public for some specific services that they use. Some charges are set by Central Government whilst others are discretionary and so set by Mid Devon. The total amount of income generated through Fees and Charges will depend on price as well as volume / service take up.
- 1.2. Many Local Authorities have recognised the importance of income generation to enable the delivery of discretionary services and address the financial challenges faced. In addition, fees and charges:
  - can be used as a tool to manage demand or influence behaviour, through encouraging/discouraging the use of services and/or the patterns of use of services to help or benefit residents
  - are an important driver of efficiency as an appropriate and strategic approach to fees and charges requires the Council to have a robust understanding of the costs of the services it provides, as well as local economic and market factors.
  - ensure that users pay directly for some, or all of the costs as opposed to taxpayers in general subsidising individual users which can have consequences for the funding of services in general, and/or cause levels of taxation to be higher than they would otherwise be.
- 1.3. As with all Local Authorities, Mid Devon District Council has different types of fees and charges:
  - 1 **Charges set by statute law which are fully outside the Council’s control.** These are set by Government or in line with statutory guidance and include Planning, Building Control applications and alcohol licensing for example;
  - 2 **Charges set by statute law where the amount charged must be within certain parameters.** These are set by Government or in line with statutory guidance and are usually restricted to no more than a strict recharge of the cost incurred, such as Taxi licensing;
  - 3 **Charges that are fully within the Council’s control in determining the amount that should be charged.** These are discretionary charges and are intended to offset the cost of delivering services that the Council is not mandated or under a duty to provide but instead chooses to provide for the benefit of the residents. The Council therefore has greater flexibility and full control in setting these. In some cases, the Council may choose to partially subsidise a service to ensure everyone can access the service. Examples include Leisure or Parking fees It may also choose to charge above inflationary increases the market allows, such as venue hire.

- 1.4. As such, there are different routes for approving fees including Cabinet or Regulatory Committee, and delegations to Cabinet Members (relevant to their Portfolio's) and Officers. Appendix 1 includes the Fees and Charges for Cabinet to approve. Appendix 2 includes those being approved through the other routes for information only purposes to ensure Cabinet has full understanding of the range of Fees and Charges.
- 1.5. Some Fees and Charges require set processes and consultation to be undertaken. This will be completed prior to implementation, which will be 1 April 2024 where possible.
- 1.6. The Council has three key principles for setting discretionary charges:
  - 1 First, the discretionary charging arrangements for any service must recover the full cost of providing the service and include sound arrangements for income collection, in line with the Councils constitution and Medium Term Financial Plan. The full cost of provision includes the relevant share of central costs.
  - 2 Second, the Council must comply with all legal requirements for setting charges and income generation. Where appropriate, this will override other factors to ensure the Council is not exposed to the risk of legal challenge with potential repayment of fees and other costs.
  - 3 The Council also recognises that these two principles may need to be balanced against other relevant factors. The appropriateness of charges set may be dependent on the wider aims and context of the service. Relevant factors are set out below and officers must consider all these factors and assess their relative importance when setting charges for individual services:
    - Charging decisions will be taken in the context of the Council's goals and values as set out in its Corporate Plan;
    - Access, affordability, and elasticity of demand should be fully considered;
    - Consistency with the Council's principals of Value for Money, Equalities and Customer Access, e.g., consideration should be given to any disproportionate impact on vulnerable groups and those least able to pay;
    - Where services are provided on a trading basis, charges will be set at the maximum level the market can sustain without eroding demand to a point at which the overall financial position of the service offering is weakened;
    - Benchmarking with comparable local authorities and where charges are identified as being significantly lower than in other comparable

authorities, increases should be fast tracked in order to bring them in line;

- The Council should not distort local market conditions.

## **2. 2024/25 Review**

- 2.1. For the 2023/24 budget a rigorous examination and refresh of all fees and charges was undertaken by the service managers, using techniques such as benchmarking and other in-depth reviews. The majority of charges increased, and in many cases by more than annual inflation due to fees previously being frozen during the period of the pandemic.
- 2.2. During the summer the level of fees and charges have again been reviewed. This is slightly earlier than in previous years to ensure that they can be built into service estimates and avoid making unnecessary cuts to service provision.
- 2.3. An inflationary uplift is proposed for the majority of fees and charges for 2024/25. The September's Consumer Price Index (CPI) stood at 6.7% and is the uplift applied. The September figure represents the mid-point for the year and is also the latest CPI available at the time of drafting the proposals for the various PDG's to consider. It is also Central Governments measure used when calculating national schemes such as pensions and business rates and grant increases. In most cases, the value has been rounded to the nearest pound, or 10p in the case of Parking, for simplicity and administration purposes.
- 2.4. Where any proposal exceeds inflation, the justification has been presented to, and supported by, the relevant PDG.
- 2.5. The 2024/25 budget includes the additional income generated by these be proposed fees. If there are changes to the recommended fees that result in reduced income, then this will create a shortfall in the budget that will need to be funded from another source. Members are asked to recommend how that resultant shortfall could be mitigated.

## **3. Conclusion**

- 3.1. If Cabinet agree the proposed Fees and Charges, these will be implemented on 1 April 2024, subject to any consultation and engagement that is required beforehand.

## **Financial Implications**

The proposed 2024/25 budget includes the additional income generated by these be proposed fees. If there are changes to the recommended fees that result in reduced

income, then this will create a shortfall in the budget that will need to be funded from another source. Members are asked to recommend how that resultant shortfall could be mitigated. There remains a sizable funding deficit projected in future years.

### **Legal Implications**

Local authorities have a variety of powers to charge for specific statutory services as set out in Section 93 of the Local Government Act 2003.

The Localism Act 2011 also provides local authorities with a general power of competence that confers on them the power to charge for services unless 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.

Paragraph 1.6 outlines the three key principles for setting discretionary charges.

### **Risk Assessment**

The proposed fee uplifts are mainly inflationary. Therefore it is assumed that this will not have a material impact on the usage of that service. Any proposed uplift above inflation has been assessed by the service manager to again not materially alter the usage of the service.

### **Impact on Climate Change**

The proposed uplifts are not deemed to negatively affect climate change.

### **Equalities Impact Assessment**

Mid Devon District Council has statutory public sector equality duties concerned with eliminating unlawful discrimination, advancing equality of opportunity and fostering good relations on the basis of protected characteristics such as gender, race, disability or age. These duties do not prevent the Council reducing services or charging where necessary – provided that decisions are taken in accordance with the Act. The proposed uplifts are considered to be a proportionate approach and therefore do not impact on those with protected characteristics.

### **Relationship to Corporate Plan**

The Medium Term Financial Plan (MTFP) sets out the financial resources available to deliver the Council's ongoing Corporate Plan priorities.

### **Section 3 – Statutory Officer sign-off/mandatory checks**

**Statutory Officer:** Andrew Jarrett

Agreed by or on behalf of the Section 151

**Date:** 12 December 2023

**Statutory Officer:** Maria De Leiburne  
Agreed on behalf of the Monitoring Officer  
**Date:** 12 December 2023

**Chief Officer:** Stephen Walford  
Agreed by or on behalf of the Chief Executive/Corporate Director  
**Date:** 12 December 2023

**Performance and risk:** Dr Stephen Carr  
Agreed on behalf of the Corporate Performance & Improvement Manager  
**Date:** 12 December 2023

**Cabinet member notified:** Yes

#### **Section 4 - Contact Details and Background Papers**

**Contact:** Andrew Jarrett – Deputy Chief Executive (S151)  
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Telephone: 01884 234242

**Contact:** Paul Deal – Corporate Manager for Finance, Property and Climate Change  
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#### **Background papers:**

- 2024/25 – 2028/29 Medium Term Financial Plan update (September Cabinet)
- 2024/25 – 2028/29 Medium Term Financial Plan update (October Cabinet)
- 2024/25 – 2028/29 Medium Term Financial Plan update (December Cabinet)
- 2024/25 – 2028/29 Medium Term Financial Plan update (January Cabinet)
- 2024/25 Fees and Charges (November Economy and Environment Policy Development Groups)