

**Meeting** CABINET  
**Portfolio Area** Resources and Transformation  
**Date** 9 October 2024  
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## FEES AND CHARGES 2025/26

### KEY DECISION

#### 1. PURPOSE

- 1.1 This report seeks the approval of Fees and Charges 2025/26 for the General Fund and for the Housing Revenue Account.
- 1.2 Fees and Charges are set on an annual basis. For the General Fund, the majority of the fees will be implemented in January, whilst for the Housing Revenue Account, new Fees and Charges apply from April.
- 1.3 Fees and Charges form an essential element of the Council's financial security. There is the need to be prudent and cover costs whilst ensuring that services are charged for in a fair, transparent and consistent manner.

#### 2 RECOMMENDATIONS

- 2.1 That Fees and Charges 2025-26 for the General Fund, as shown at Appendix A, be approved.
- 2.2 That Fees and Charges 2025/26 for the Housing Revenue Account, as shown at Appendix B, be approved.

- 2.3 That the Strategic Director (CF) be given delegated authority to approve any final changes required to the Fees and Charges, following consultation with the Cabinet Member for Resources and Transformation.

### **3 BACKGROUND**

- 3.1 Local government has been facing a challenging financial position after a decade of central government funding cuts. These pressures were heightened by the effects of the Covid-19 pandemic and increasing inflationary pressures. Stevenage's core spending power has reduced by 64.5% since 2010, whilst the cost-of-living crisis and increased complex needs across the town have driven up demand for Council services. These impacts have resulted in the Council having to find cumulative savings of £15 Million since 2010.
- 3.2 Significant savings are required in order to balance the books for 2025/26. Inflationary and service pressures have continued to outstrip the main source of General Fund funding and income from council tax rises (capped by government policy at 1.99%).
- 3.3 The previous government's projected public sector spending (using the 2023 spending review), shows funding increases beyond April 2025 were only slightly under 1% in real terms every year, baking in the erosion of real budgets from higher inflation. Their commitment to spending increases on the NHS, defence, foreign aid and childcare implies real terms cuts for unprotected areas of spending such as services provided by District Councils. The Office for Budgetary Responsibility (OBR) estimate falls of over 2% per year in real terms. It is not clear what the new Government will do, whether they will use spend envelope of the last administration or increase funding.
- 3.4 Therefore, the focus on financial security is more important than ever support a strong position for the town and the Council.
- 3.5 The Council's 'Balancing the Budget' priority has four work streams to achieve financial stability for the Council so that it maintains a prudent level of balances and remains financially resilient across the General Fund and Housing Revenue Account, while at the same time being able to deliver on ambitious Future Town Future Council (FTFC) aims, including regeneration of the town centre, housing delivery and co-operative neighbourhood management. The figure below shows the connection between the Council's Making Your Money Count priority and charging appropriately for Council services.

Figure 1. Making Your Money Count Priority



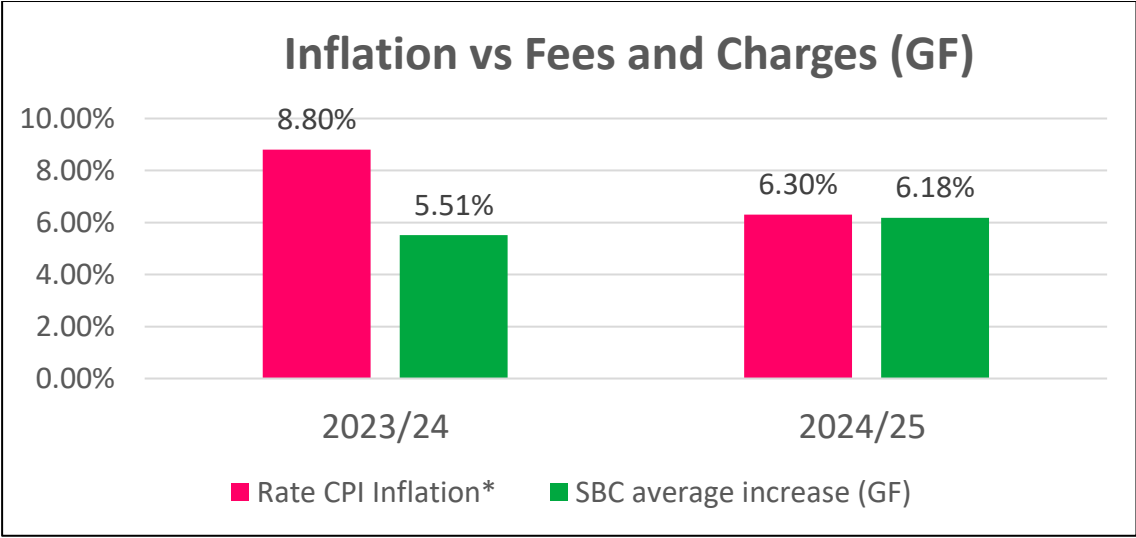
- 3.6 This approach will support services in reducing the cost of delivery and where possible, enable them to achieve break even positions where appropriate.
- 3.7 The 2021 Stevenage Residents Survey showed that for residents, increasing fees and charges is preferable to:
- Reducing or cutting services
  - Increasing council tax
  - Selling more services to residents or customers

#### **4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS**

- 4.1 The Council has a savings target for the General Fund of £1.285Million in 2025/26. Over the next three years, up to 2027/28, the Balancing the Budget savings target is £2.985M as per the latest Medium Term Financial Strategy (MTFS) approved at the September 2024 Cabinet .
- 4.2 The Housing Revenue Account (HRA) also requires savings to meet the cost of those services, and this will be set out as part of the HRA Business Plan to be reported to the November 2024 Cabinet .
- 4.3 Fees and charges are essential tools in addressing future budget gaps and mitigating pressures. On the General Fund, for 2024/25, the Council spends £67M annually and income equates to £23.5M. The top 4 income streams (parking, commercial property, garages and income from other councils) account for 71% of all income (£16.75M).
- 4.4 In some cases, fees and charges from one service area support other Council services and subsidise non-income generating services. There is the need to generate sustainable new income streams, which are built into the Council's MTFS to reduce the likelihood of having to reduce or cut services.

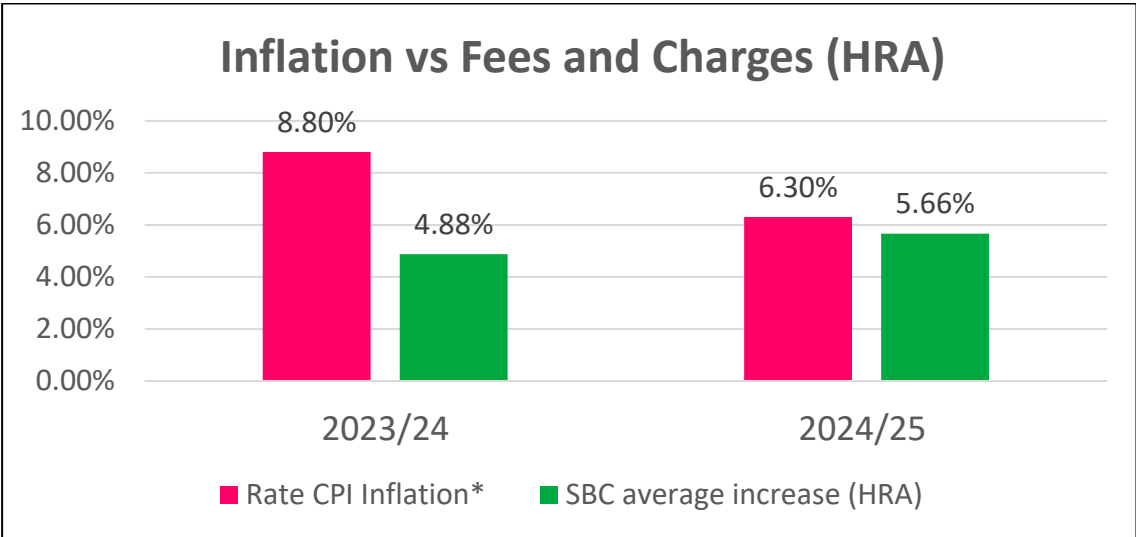
4.5 Members should note that although inflation added an additional £2Million of pressure to Council budgets in 2023/24 and £986K of pressure in 2024/25, the majority of fees and charges for both years were set below the rate of inflation.

Figure 2. Trajectory of inflation vs Fees and Charges (General Fund)



\*Consumer Price Index inflation (CPI) as of September the previous year

Figure 3. Trajectory of inflation vs Fees and Charges (HRA)

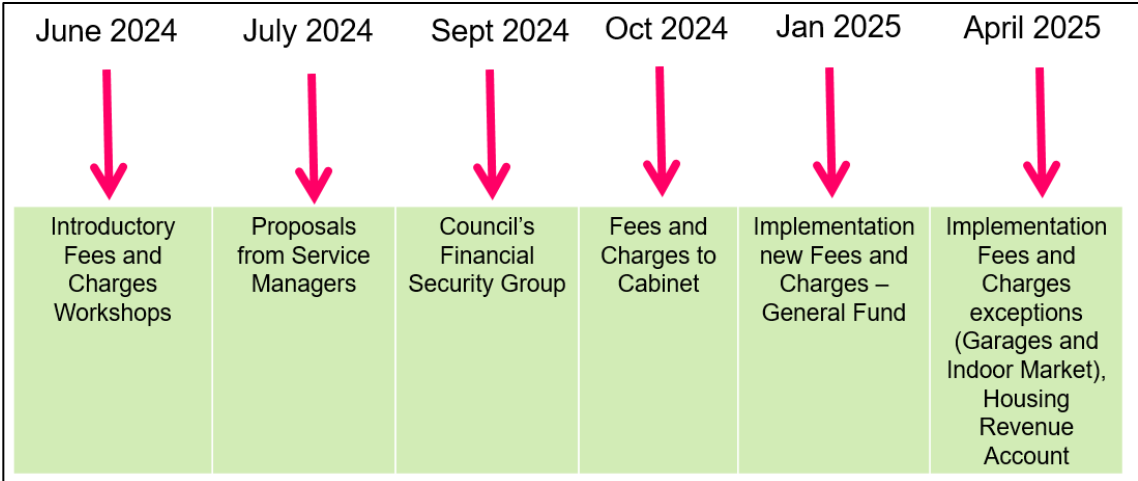


\*Consumer Price Index inflation (CPI) as of September the previous year

4.6 In August 2024, CPI inflation stood at 2.2%. The Bank of England’s latest forecasts indicate that inflation will rise to 2.75% by end of 2024 and potentially stay high for the foreseeable future. Unless Government provides local authorities with match funding increases, there will continue to be a pressure on councils to fund the gap.

- 4.7 Looking to 2025/26, the Council will continue to incur increased running and resource costs and has considered each area of fees and charges on a case-by-case basis. The Council works to fees and charges principles, which include a commitment to cover costs to the tax payer and aim for full cost recovery through fees and charges where appropriate and possible.
- 4.8 All fees and charges proposals are subject to the following considerations:
  - True costs of running the service
  - Charging model category (i.e. subsidised, cost recovery, commercial)
  - Service specific inflation
  - Demand and competition
  - Impact on residents and businesses
  - Benchmarking
  - Changes to trading and charging legislation
- 4.9 The process of setting fees and charges for the following year begins in June and actively engages service managers, officers in commercial and finance teams and Members.

Figure 4. Timeline for Fees and Charges 2025/26



- 4.10 The Council's Financial Security Group (CFSG), a cross party group of Members, met on 12<sup>th</sup> September 2024 to review proposals for Fees and Charges for the General Fund 2025-26.
- 4.11 Increases to fees and charges, detailed in Appendix A and Appendix B, are recommended to meet the Balancing the Budget target. All fees and

charges were approved by the majority of Members, in 31 out of the 39 categories the fees were approved unanimously. Based on the majority of CFSG Members voting to approve the fees and charges proposed, they are recommended to the Cabinet to approve.

Figure 5. Summary of CFSG responses where fees were not agreed unanimously

Fee	Number of Members that agreed	Number of Members that disagreed
Railway (Mon-Sat up to 6 hours) increase from £7.00 to £7.50	5	1
Primett Road South (Sat 0600-1600) fee increase average 5.27%	5	1
Church Lane North (Mon-Sat 0600-1600) fee increase average 6.59%	5	1
Environmental Health rescore inspections increase from £196.00 to £233.00	5	1
Local Land charges no increase on LLC1, average increase on all others of 15.02%	5	1
Parks and open spaces fee increase average 9.62%	5	1
Allotment rental fees to increase average 3.45%	5	1
No increase on fishing fees	5	1

- 4.12 The Planning fees for 2025/26 are set out in Appendix A for implementation from January 2025. However, the Council is mindful of the Planning and Infrastructure Bill outlined in the King's Speech of 17th July 2024, which is expected to give local authorities the power to set fee levels in Planning at a local level. The Government is currently out to consultation on increasing planning fees, including consideration of Councils being able to set their own fees (See Chapter 11 of the Consultation - [Proposed reforms to the National Planning Policy Framework and other changes to the planning system - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/proposed-reforms-to-the-national-planning-policy-framework-and-other-changes-to-the-planning-system))
- 4.13 It is therefore possible that in-year revisions to Planning fees and charges may be recommended to Cabinet.

- 4.14 At a meeting of the Council's Executive on 10 July 2012, the following decision was made with regards to arrangements for letting garages to voluntary and community sector groups and organisations (VCOs): 'When the charges are introduced, the introduction will be graduated over a period of time until they reach a maximum of 50% of the prevailing full rent.'
- 4.15 As agreed by Members of the Commercial and Investment Working Group in December 2022, for 2025/26 and 2026/27, VCOs will be charged 40% of the price of the garage (based on the specific garage type).
- 4.16 In the event that VCOs do not wish to pay the increased charge for that garage type, if possible they will be offered the option of moving to a different, cheaper garage (subject to availability) or they have the option to terminate their license.
- 4.17 Costs within the Housing Revenue Account are rising, although not all charges for 2025/26 are increasing. A review of areas such as Independent Living, Support charges and Service charges will be undertaken by the Assistant Director for Housing and Neighbourhoods during 2025/26.

## **5. IMPLICATIONS**

### **5.1 Financial Implications**

- 5.1.1 If the changes to fees and charges for the General Fund are all approved, they total an increase in net budgeted income of £428,154 (taking into account budget rebasing) for 2025/26 which contributes to the funding gap as set out in the September 2024 MTFS report. Equality Impact Assessments (EqIAs) have been completed for changes to fees and charges across all service areas.
- 5.1.2 It is recommended that Members approve that the fees and charges should increase starting from January 2025, with the exception of garages which are managed via the Northgate system and require an April 2025 start date and Markets which bill quarterly and recommend an April 2025 start date.
- 5.1.3 If the changes to fees and charges for the Housing Revenue Account are all approved, they total an increase in budgeted income of £2,487 and will be implemented in April 2025.

### **5.2 Legal Implications**

- 5.2.1 The Local Government Act 2003 (LGA 2003) includes a general power for local authorities in England and Wales to charge for discretionary

services. The discretionary charging powers do not apply to services which an authority is mandated or has a duty to provide. However, councils can charge for discretionary services. In order to do so, the recipient of the discretionary service must have agreed in advance, to pay for the provision of such services. The 2003 Act cannot be used where charging is prohibited or where another specific charging regime applies. Charging is limited to cost recovery and statutory guidance published in 2003 outlines how costs and charges should be established.

### **5.3 Risk Implications**

- 5.3.1 The impact of Fees and Charges is evaluated through the completion of Equality Impact Assessments (EqIAs) for each service area.
- 5.3.2 The overarching EqIA for Fees and Charges for the General Fund 2025/26 is shown in Appendix C.
- 5.3.3 The overarching EqIA for Fees and Charges for the Housing Revenue Account 2025/26 is shown in Appendix D.

### **5.4 Human Resources Implications**

- 5.4.1 None.

## **APPENDICES**

### **Part I**

- A Fees and Charges 2025/26 General Fund
- B Fees and Charges 2025/26 Housing Revenue Account
- C Fees and Charges 2025/26 Equality Impact Assessment General Fund
- D Fees and Charges 2025/26 Equality Impact Assessment Housing Revenue Account

## **BACKGROUND DOCUMENTS**

- BD1 Medium Term Financial Strategy, Revised September 2024
- BD2 Corporate Plan, Future Town, Future Council