

<b>Meeting</b>	<b>CABINET</b>
<b>Portfolio Area</b>	Resources and Performance
<b>Date</b>	<b>8 October 2025</b>
<b>Authors</b>	Veronika Mendy/Annajoy David
<b>Contributors</b>	Atif Iqbal Senior Leadership Team



## REVIEW OF FEES AND CHARGES

### KEY DECISION

#### 1. PURPOSE

- 1.1 This report seeks approval for the proposed Fees and Charges for the financial year 2026/27, covering both the General Fund (GF) (some commencing in January 2026) and the Housing Revenue Account (HRA).
- 1.2 Fees and Charges are reviewed and set on an annual basis. For the General Fund, the majority of the revised fees will take effect from January 2026. For the Housing Revenue Account, the new fees will be implemented from April 2026.
- 1.3 Fees and Charges represent a vital component of the Council's financial strategy. It is essential that charges are set prudently to ensure cost recovery, while also being fair, transparent, and applied consistently across services.

#### 2 RECOMMENDATIONS

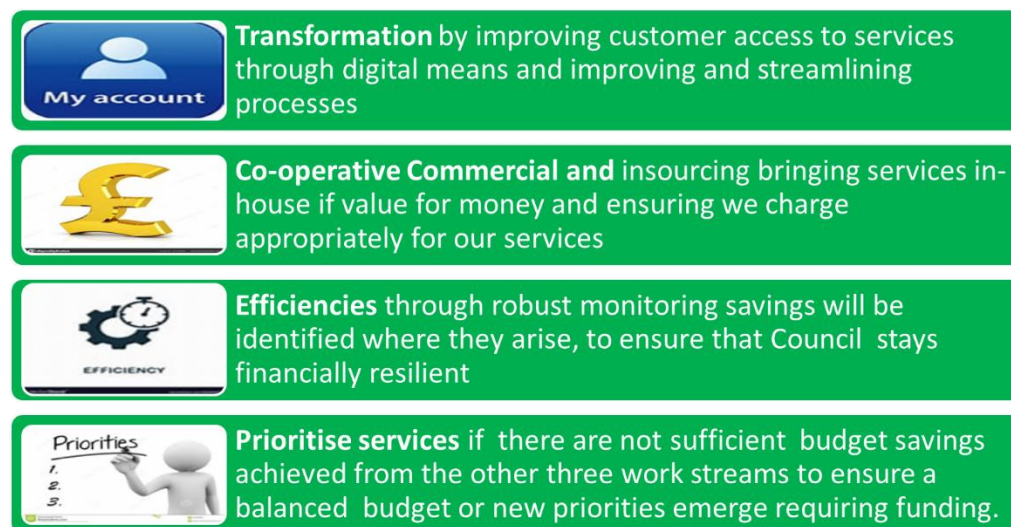
- 2.1 That Fees and Charges 2026/27 for the General Fund (GF), as shown at Appendix A, be approved.

- 2.2 That Fees and Charges 2026/27 for the Housing Revenue Account (HRA), as shown at Appendix B, be approved.
- 2.3 That 2026/27 Retail Outdoor Seating fees as shown at Appendix C, be approved.
- 2.4 That 2026/27 Fast track/Accelerated Planning fees (pilot) as shown at Appendix D, be approved.
- 2.5 That the Strategic Director & S151 Officer be given delegated authority to approve any final changes required to the Fees and Charges, following consultation with the Cabinet Member for Resources and Performance.

### **3 BACKGROUND**

- 3.1 Local government continues to navigate financial pressures, shaped by long-term changes in central Government funding. These pressures have been further exacerbated by legacy impacts of the Covid-19 pandemic and higher inflation. According to data published by the National Audit Office (NAO), Stevenage's Core Spending Power (CSP) decreased by 64.5% in real terms (based on 2019/20 prices) between 2010/11 and 2020/21. In addition, the cost-of-living crisis and increasingly complex community needs have driven up demand for Council services. In response, the Council has identified and delivered cumulative savings of £16.5 million since 2010/11 through its key priority initiative, "Balancing the Budget," to maintain financial stability.
- 3.2 The most recent Office for Budget Responsibility (OBR) and HM Treasury publications indicate that the UK continues to face a constrained public spending environment. The July 2025 Public Spending Statistics confirm that funding projections beyond April 2025 remain modest, with real-terms growth in public sector spending expected to stay below 1% annually, continuing the trend of budget erosion due to inflation.
- 3.3 The Spending Review 2025 (SR25), presented to Parliament in June 2025, outlines the new Government's fiscal plans through to 2028/29 for day-to-day spending. The publication and consultation on Fair Funding which resets Councils finances (taking into account factors such as deprivation) over the next three years, does see an improved financial outlook for Stevenage Borough Council as set out in the September Medium Term Financial Strategy (MTFS). However, the MTFS has assumed a level of increased fee income for 2026/27 and there is a Balancing the Budget savings target of £350K-£400K thereafter.
- 3.4 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



- 3.5 This approach will support services in reducing the cost of delivery and where possible, enable them to achieve break even positions where appropriate.
- 3.6 The 2025 Stevenage Residents Survey showed that for residents, increasing fees and charges is preferable to reducing or cutting the services and Increasing Council Tax.

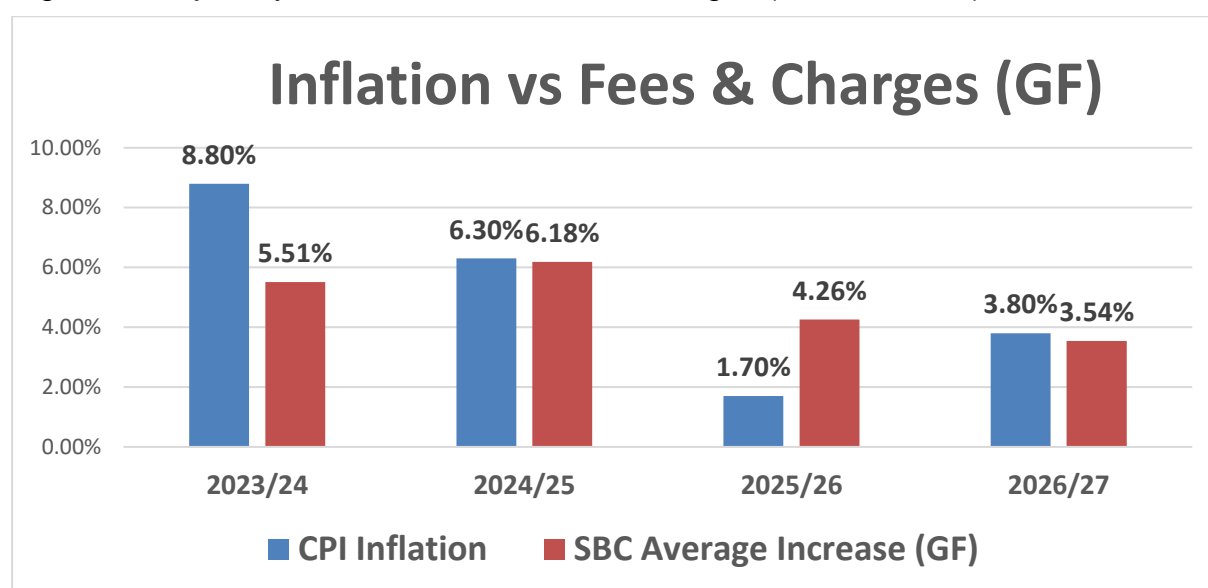
#### **4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS**

- 4.1 The MTFS assumes savings for the General Fund of £1Million in 2026/27. Over the next three years, 2026/27 to 2028/29, the Balancing the Budget savings target is £1.8Million (assuming FFR 2.0 changes but not confirmed until mid-December) as approved at the September 2025 Cabinet.
- 4.2 The Housing Revenue Account (HRA) also requires savings circa £2Million per year 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 2025 Cabinet.
- 4.3 Fees and charges are essential tools in addressing future budget gaps and mitigating pressures. On the General Fund, at the time of budget setting the budget book showed that for 2025/26, the income from fees & contributions equates to £23.4Million. The top four income streams (parking, commercial property, garages and contributions) account for 75% of this income.
- 4.4 In some cases, fees and charges from one service area support other Council services and subsidise non-income generating services. It is

important to explore opportunities for sustainable new income streams which are then built into the Council's MTFS to meet any funding gap.

- 4.5 Members should note that inflation added an additional £2Million of pressure to Council budgets in 2023/24, £0.986Million of pressure in 2024/25 and £1.508Million in 2025/26 (including pay award and NI increase gross cost). When setting the 2025/26 budget the September CPI was 1.7% (as shown below in the chart) but increased to 3.8% in August 2025.

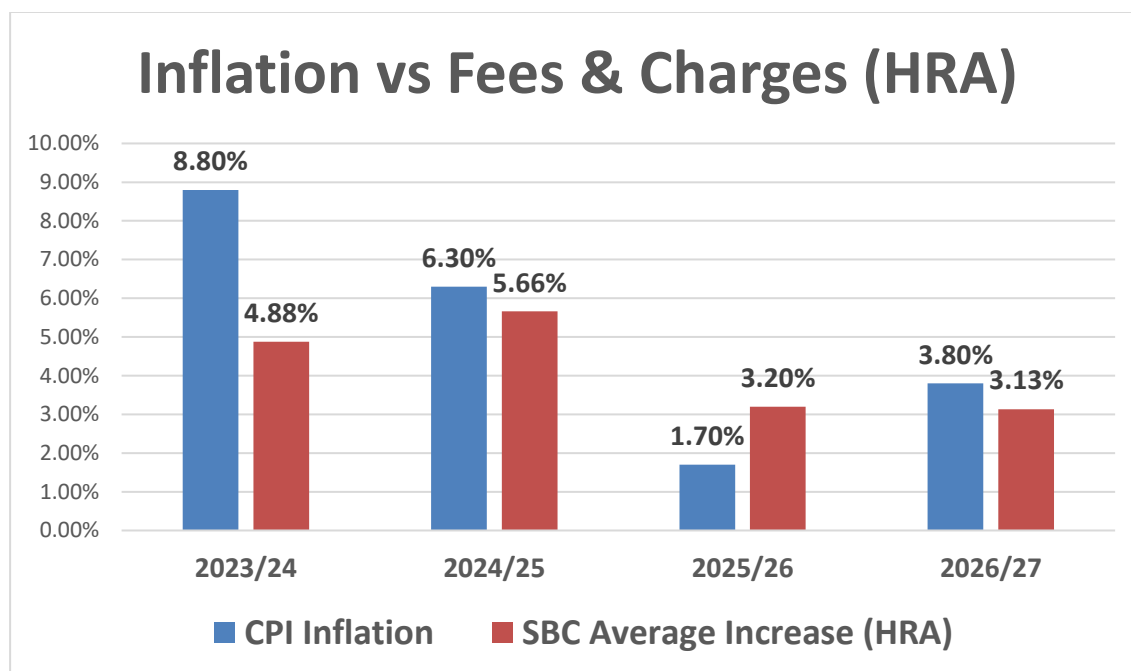
Figure 2. Trajectory of inflation vs Fees and Charges (General Fund)



Previous years CPI rates are as of September that year.

For 2026/27, latest available CPI is August 2025 CPI.

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



Previous years CPI rates are as of September that year.

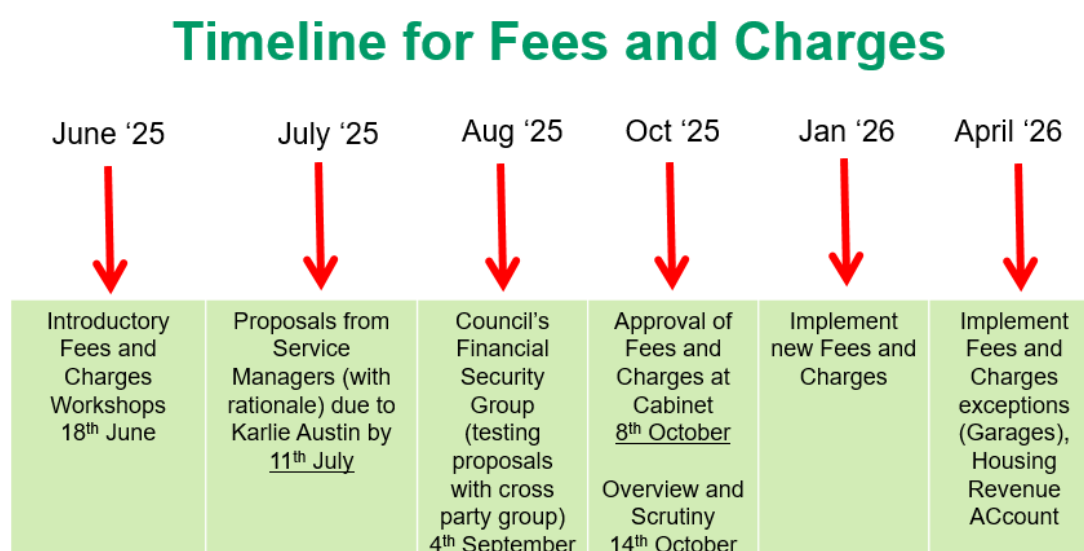
For 2026/27, latest available CPI is August 2025 CPI.

- 4.6 In August 2025, CPI inflation stood at 3.8%, unchanged from July 2025. The Bank of England expect inflation is likely to rise slightly further to 4% by September and then to fall back to the 2% target after that but there are risks around this path. These figures reflect ongoing inflationary pressures, particularly from energy and employer cost adjustments. Without corresponding funding support, councils may continue to experience financial strain and face significant pressure to bridge the budget gap.
- 4.7 Pay awards have gradually reduced over the last few years from an average in excess of 5% to 3.2% in the current financial year but still remains the biggest inflation element for the Council.
- 4.8 Looking ahead to 2026/27, the MTFS has assumed fees and charges increases. In response, officers have reviewed each area of fees and charges individually. The Council remains committed to its established fees and charges principles, which include ensuring that costs to the taxpayer are covered and, where appropriate and feasible, achieving full cost recovery through service charges.
- 4.9 All fees and charges proposals are assessed against the following key considerations:
- True cost of service delivery
  - Charging model category (e.g. subsidised, cost recovery, commercial)

- Service specific inflationary pressures
- Demand levels and market competition
- Impact on residents and businesses
- Benchmarking against comparable services
- Changes in trading and charging legislation

4.10 The process of setting fees and charges for the upcoming financial year begins in June. It involves active engagement with service managers, as well as officers from the commercial and finance teams, and includes input from Members to ensure alignment with strategic and operational priorities.

Figure 4. Timeline for Fees and Charges 2026/27



- 4.11 The Council's Financial Security Group (CFSG), a cross-party group of Members, met on 4<sup>th</sup> September 2025 to review proposals for Fees and Charges for the General Fund 2026/27.
- 4.12 Increases to fees and charges for 2026/27, detailed in Appendices A to D are recommended to meet the Balancing the Budget target. Based on the majority of CFSG cross-party members voting to approve the proposed fees and charges, these recommendations have been incorporated in this Cabinet report.
- 4.13 In this Council's Financial Security Group (CFSG) cross-party meeting held on 4<sup>th</sup> September 2025, all the proposed fees and charges for 2026/27 within Appendices A-D were unanimously agreed by the members except four lines which are detailed below.

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

Fee	Number of Members that agreed	Number of Members that disagreed
Off Street Parking - New Town Short Stay (Westgate/Forum/St Georges) fees increase average 5.90% (Appendix A, page 1)	5	1
Off Street Parking - New Town Long Stay fees increase average 4.55% (Appendix A, page 1)	5	1
Off Street Parking - Primett Road South (Mon-Fri 1600-0600) from £1.00 to £1.10 (Appendix A, page 1)	5	1
Tenant's Retrospective Charges to increase average 3.00% (Appendix B, page 3)	5	1

- 4.14 CFSG was also consulted on the proposed introduction of new administration fees within the Housing Revenue Account (HRA) for tenants wishing to make changes to their tenancy for example Joint to Sole, Sole to Joint, Mutual Exchanges and Non-Statutory Successions. Following feedback from members and a subsequent review by the service, it has now been agreed that these charges will not be implemented as tenants should not face barriers, financial or otherwise to essential tenancy changes. As these were newly proposed fees, their withdrawal does not impact the projected income from fees and charges.

### **Planning Fees**

- 4.15 The Planning fees for 2026/27 are set out in Appendix A for implementation from January 2026. The Government have set out that new measures which will be put in place to allow changes to the setting of Planning fees to Local Planning Authorities (LPA's) in the Planning and Infrastructure Bill. However, the Bill is somewhat off in achieving Royal Assent and thus becoming an act of Parliament.
- 4.16 It is therefore possible that in-year revisions to Planning fees and charges may be recommended to Cabinet following royal assent of the bill.
- 4.17 In addition to the above, the Planning department has undertaken a wholesale review of its fees and charges. This has prompted a comprehensive review of the pre-application fee schedule along with introducing new fees and charges in order to generate additional income to help reduce any identified funding gap within the service.

#### **Outdoor Seating Fees (circa £2.5k per year)**

- 4.18 Outdoor seating licence, which is valid for 12 months, this licence supports local businesses to place tables and chairs outside their premises for customer use to assist the local food and beverage sector. This licence applies to Stevenage-owned land, primarily situated in the New Town Centre.
- 4.19 The fees for outdoor seating and other licences to display at street level have remained stagnant for the past seven years. Due to Covid happening within this period, the Town centre team were committed to continue providing support to businesses to ensure they thrive in the immediate post pandemic environment.
- 4.20 Officers undertook a benchmarking exercise to examine the pricing structures and policies adopted by other local authorities for outdoor seating licences. As part of this price review officers have endeavoured to keep costs as close to current pricing models. This approach aims to support the hospitality sector by maintaining accessible pricing and by giving customers and local residents greater dining options and growing cover numbers for local food and beverage business. Proposed fees for 2026/27 are included in Appendix C.

#### **Fast Track/Accelerated Planning Fees Pilot (circa £3k per year based on 20 potential applications)**

- 4.21 The statutory determination date for planning applications is 8 weeks. A fast-track planning application is offered as an accelerated planning application process for customers where applications are guaranteed to be determined prior to the statutory guidelines. In return for this service an additional fee is applied alongside the statutory charge. Section 93 of the Local Government Act 2003 contains powers that allow local authorities the ability to charge for discretionary services.
- 4.22 Officers propose a pilot of a fast-track service effect from April 2026 for a period of 12 months. This will allow the planning service time to consolidate any validation procedures and terms and conditions ahead of the pilot. No additional resources will be required to provide the service. Applicants will be informed in advance if resourcing constraints may affect availability of the fast-track service. The Council can also withdraw the fast-track service at any time to focus on legislative and contractual obligations. All relevant documents will need to be completed and submitted with the correct details on application to be eligible for the fast track. On review, the customer will be informed if their planning application meets the fast-track criteria. If an application is referred to the planning committee for review, any fees already paid will not be reimbursed in the event of delays, as this process falls outside the direct control of planning officers.



- 4.23 As part of the pilot, the number of requests will therefore be subject to ongoing monitoring and review. This will identify trends and areas for improvement of the service on an ongoing basis. Data on the numbers of applications, the time taken, and the income received will be recorded. Customer feedback will also be taken into consideration and amendments to the process implemented, if required. Proposed fees for 2026/27 are included in the Appendix D.
- 4.24 At a meeting of the Council's Executive on 10 July 2012, Members approved that for the 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.'
- 4.25 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).
- 4.26 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.

#### **Further Changes to HRA fees and charges**

- 4.27 The HRA has seen a significant increase in costs and therefore savings required although not all charges for 2026/27 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 2026/27 and brought back to Members for consideration.

## **5. IMPLICATIONS**

### **5.1 Financial Implications**

- 5.1.1 If the changes to fees and charges for the General Fund are all approved, this will result in an increase net budgeted income of £314k (after considering budget rebasing) for 2026/27 which contributes to the savings target as set out in the Council MTFS approved in September 2025. Equality Impact Assessments (EqlAs) have been completed for changes to fees and charges across all service areas.
- 5.1.2 It is recommended that Members approve an increase in General Fund fees and charges effective from January 2026, with the exception of garage fees, which are managed through the Northgate system and will take effect from April 2026. Fees for the Indoor Market will remain frozen for the 2026/27 financial year due to the planned relocation of the market to Park Place, expected in November 2025.

- 5.1.3 If the changes to fees and charges for the Housing Revenue Account are all approved, this will result in an increased income of £24,271 and will be implemented in April 2026.

## **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 2026/27 is shown in Appendix E.
- 5.3.3 The overarching EqIA for Fees and Charges for the Housing Revenue Account 2026/27 is shown in Appendix F.

## **5.4 Human Resources Implications**

- 5.4.1 None.

## **APPENDICES**

### **Part I**

- A Fees and Charges 2026/27 – General Fund
- B Fees and Charges 2026/27 – Housing Revenue Account
- C Fees and Charges 2026/27 – Retail Outdoor Seating
- D Fees and Charges 2026/27 – Fast Track/Accelerated Planning
- E Equality Impact Assessment – General Fund
- D Equality Impact Assessment – Housing Revenue Account

## **BACKGROUND DOCUMENTS**

- BD1 Medium Term Financial Strategy, Revised September 2025