

Corporate Overview and Scrutiny Committee – Budget Scrutiny Task and Finish Group

31 January 2023

Breakout Room - Fees and Charges

Councillors

Councillor Andrew Grant - Lead Councillor for the Breakout Room

Councillors Keith Holland Delamere, Mark Hughes and Koulla Jolley

Cabinet Members

Councillor Phil Larratt, Cabinet Member for Environment, Highways, Transport & Waste Services

Councillor David Smith, Community Safety & Engagement, and Regulatory Services

Officers

Martin Henry - Executive Director for Finance (Chief Finance Officer)

Stuart Timmiss – Executive Director for Place, Economy and Environment

Louise Gatehouse - Accountant

Tracy Tiff - Deputy Democratic Services Manager

Scope of the Fees and Charges Budget Scrutiny

- To understand what the approach was in determining fees and charges and what sensitivity analysis was carried out in reaching a view on the increases
- To understand the rationale behind Green Waste increases, Car Parking increases and Building Control increases
- To look at any other emerging themes in the fees and charges and any outliers in terms of the percentage increase

The Breakout Room confirmed that Councillor Andrew Grant would be the lead Councillor for this Group and would report back the recommendations of the Breakout Room to the main Task and Finish Group.

The Executive Director, Finance (Chief Finance Officer), gave the Breakout Room a comprehensive presentation on Fees and Charges which provided the Breakout Room with an understanding of what the approach was in determining fees and charges and what sensitivity analysis had been undertaken in reaching a view on the increases.

Key points:

- Some fees and charges are set by statute for example: Planning
- Some are set on a cost recovery based for example building control and other such as car parking, green waste and leisure are set on "what the market can bear"
- Fees and charges for 2022/23 had been reviewed against current demand level
- A review of controlled charges vs variable and potential income generation had been undertaken.

- A benchmarking analysis had been carried out across other local authorities, both locally and nationally
- An option analysis had taken place which included different charging options and potential impact on demand
- The Service areas provided their expertise and understanding of current market conditions
- The 2023-24 proposed fees and charges (based on service feedback) were then consolidated into the draft budget schedule which were then reviewed to ensure increases in fees and charges were fully costed and detailed within the draft budget as proposals for income generation.

At its earlier budget scrutiny process setting meeting, the Task and Finish Group had determined as part of budget scrutiny for fees and charges Councillors would scrutinise, in particular, the proposals for increases in fees and charges for: Green waste, car parking and building control. The presentation from the Executive Director for Finance (Chief Finance Officer) therefore provided key details on these areas of proposed increases in fees and charges:

Green Waste

The proposed fee increase is from £42.00 to £55.00 (per bin) for Green Waste collection for the year 23-24 which has an estimated additional income built into the draft budget of £726,000 had been calculated with the assumption of an overall decrease of 3% in requests for green waste collection based on the fee increase and had:

- Considered data from 22-23 financial year, which included introduction of charge in South area.
- Benchmarked charges with other Local Authorities had taken place. The charges for green waste of 37 local authorities had been reviewed. There was an average charge of £49.10 in 2022-23. Charges ranged from £40-£80. It had been noted that the majority of the 37 Local Authorities were expected to increase garden waste charge in 2023/2024. When benchmarking took place in 2021, nationally over 72% of Councils charged for garden waste, with prices ranging from £12 to £116 per bin.

The Breakout Room made comment, asked questions and heard:

- There is a need to ensure that residents continue to support the green waste collection service and it is important to communicate that a fee of £55 per a year, costs just over £1 a week, rather than highlight the percentage increase of approximately 30% to £55 per bin from £42 per bin.
- Concerns were raised that replacement or newly issued black bins are now of a smaller size and larger families often appear to require the larger sized black bin. They should be encouraged and advised how to recycle.
- The benefit of offering a direct debit provision for the payment of the charge of green waste collection was realised. It was welcomed that the Place Directorate is working closely with Finance regarding payment. It was noted that this could be resource heavy. A monthly direct debit was not currently offered but residents could sign up for the year and then pay this fee by direct debit annually.

Car Parking Increases

- Car park charges and proposed changes are included in the draft budget 2023/24 to deliver additional income of £1.032 million:
 - Central Northampton: General uplift of 10%, Saturday free period abolished, charges introduced on Sundays
 - Charges introduced at the Racecourse
 - Country park charges harmonised at higher levels
 - More efficient collection practices
- In proposing the increases and by undertaking a sensitivity analysis, it had been assumed that the 10% increase in charges would lead to a 1.67% reduction in demand in parking.
- Car park charges have not increased since 2019 and had car park charges been increased in line with CPI inflation they would have increased by 15.1%
- It is proposed that on-street charges in Northampton would increase from £1.20 to £1.40 per hour which would generate additional income of £0.12 million

The Breakout Room heard, made comment, asked questions and heard:

- There is a need to communicate that the proposed increases to car parking in central Northampton equates to 30 pence an hour, rather than communicate the percentage increase.
- A recent meeting with the BID and traders had been held regarding the proposed increases and changes to car parking charges in central Northampton. Traders had conveyed concerns regarding the current regeneration that is taking place in the town and the disruption to the town centre. They appreciated the Cultural Quarter and the night time economy but felt that similar to other town centres, Northampton town centre is struggling and the increase in parking could affect shoppers, events and those attending church. The Cabinet Member noted the comments and emphasised the costs of maintaining car parks and the Council cannot keep absorbing these costs.
- It was commented that people's salaries are not increasing with inflation which will have a knock on effect on using Council facilities such as car parking.
- The issue of the lack of public transport at night from Towcester to Northampton was highlighted.
- The Breakout Room realised that car parking charges had not increased for four years.
- The Breakout Room noted that Cabinet had withdrawn its decision to propose car parking charges at the Racecourse and there was currently no plan to introduce these, it had been removed from the draft budget proposals. However, the Cabinet Member confirmed that car parking at the Racecourse was a problem as often the car park was full all day, leaving it unavailable for Racecourse users. It was also full in the evenings of vehicles, whose owners were not necessarily using the facilities at the Racecourse.
- In response to a query regarding the proposed all day charge of £12 for parking at the country parks, the Breakout Room heard that the proposal was to harmonise the country parks - Daventry and Brixworth. Research had been undertaken that had shown when people use the parks, often all day, between 1-2 hours. Season tickets would also be offered at a cost of £100 per year that could be used for both parks. Comments received as part of the consultation process would be considered regarding the charges. The Breakout Room

acknowledged the value of a season ticket for those who used the country parks on a regular basis.

Building Control Fee Increases

- Building control fees are proposed to be increased by an average 28%. There are 74 individual charges. This larger percentage increase for 2023-24 is due to fees not being adjusted for 5 years. Fees initially set were based on Northampton so not incorporating additional costs incurred for rural areas. The proposed 2023-24 pricing schedule had been updated and set to new rates to ensure cost recovery
- The proposed increase is estimated to generate additional income of £140,000 (based on average charges)
- Building Control operates against commercial competitors and therefore needs to be mindful of their rates and the service offered
- A separate Building Control account has to operate with fees adjusted so there are no profits or losses made when measured over a three year period
- The proposed increases in charges for 2023-24 had been benchmarked to Warwick District Council. West Northamptonshire Council was part of the Building Control Consortium with Warwickshire County Council up until 31 March 2023 but from April 2023 would be onboarding.

The Breakout Room considered the information provided and understood the rationale for the proposed increases to the building control fees.

Emerging Themes

- Fees and charges have been used more widely in this year's draft budget to protect critical front line services where possible and therefore the approach had been to consider all Fees and Charges, especially fees that had not been increased for a number of years
- Fees and charges are mostly for services where the user of that service has a choice about whether they want that service or not. If they think the charges are too high they can choose not to have the service
- It is also an important principle that the user of a particular service, where possible, pays directly for that service

Outliers

- Many fees are proposed to be increased (where they are not set by statute) by 10%. This is still lower than the level of inflation currently being faced and impacting on the Council's cost base
- Some fees are proposed to be increased by a lot more. These are known as outliers and are highlighted below:
 - Housing HMO (House in Multiple Occupancy) early bird discount (-100%) – Discount has now been deleted
 - On Street Parking Permits (+100%) – Increase from £5.00 to £10.00 and £25 to £50

- Lodge Road Charges (-100%) – Due to vacation of Lodge Road
- Loan of Story Sacks (+100%) – Increase from £1.00 to £2.00
- CON29 Compulsory Purchase (+334.78%) – Increase from £1.15 to £5.00

The Breakout Room heard, asked questions and made comment:

- In response to a query that was raised regarding the proposed charges for the Museum and Art Gallery but that this did not appear to include the Abington Park Museum, Officers undertook to investigate whether this was an anomaly.
- A similar query was raised regarding the proposal of the charges for Park Rangers fees for activity days and sessions and the two day discount, again Officers undertook to investigate whether this was an anomaly.

Following the Breakout Session for Fees and Charges, Councillor Grant reported back to the Task and Finish Group:

Key points:

- There are 1,500 fees and charges that are estimated to raise revenue of £22 million
- Fees for planning are set in statute
- Building control fees and charges are set against cost recovery. A loss cannot be made, there must be a balanced budget. These fees have not increased for five years
- Others, such as green waste and car parking are set against “what the market can bear”
- The proposal to introduce car parking charges at the Racecourse has been removed from the draft budget
- There is a need to encourage people to use Northampton town centre, especially with the proposal for charging to park for Saturdays and Sundays
- Clarity on the proposed car parking charges at the country parks was provided. The Cabinet Member will look at all suggestions received from the consultation regarding this proposal.
- The Breakout room understood and were supportive of the rationale to increase fees for collection of garden waste. £55 equated to just over £1 per week. It was estimated to generate an increase in revenue of £720,000.
- In response to a query raised about the introduction of a monthly direct debit facility for the charge for green waste collection it was confirmed that this would be investigated however, other Local Authorities that had introduced such a facility had found that a number of residents used the facility for a period of three months then cancelled it.

