

Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 05 December 2023

TITLE	Fees and Charges	
Ward(s)	All	
Author: Sarah Chodkiewicz	Job title: Head of Financial Management / Deputy s151 Officer	
Cabinet lead: Cllr Craig Cheney – Deputy Mayor and Cabinet Member for City Economy, Finance and Performance	Executive Director lead: Denise Murray – Director of Finance	
Proposal origin: Other		
Decision maker: Cabinet Member Decision forum: Cabinet		
<p>Purpose of Report: The Council budget for 2023/24 as agreed by Full Council on 21 February 2023 included a savings target to be met through review of fees and charges of £500,000. This report is to seek approval of proposals for specific charge increases that contribute toward achieving this target.</p>		
<p>Evidence Base:</p> <ol style="list-style-type: none"> The budget for Bristol City Council as agreed in February 2023, included a cross-cutting saving item to deliver £500,000 through a review of fees and charges increases above the base level of inflationary approval within the budget. During 2022/23 an initial opportunity review was undertaken by consultants to establish the potential scope to the council of assessing fees and charges in context of the budget gap presented in the Medium Term Financial Strategy at that time. The review undertaken was a high-level benchmarking exercise based on comparison to publicly available national data relating to fees and charges in order to identify where there was potential for income generation and focused on three themes: <ul style="list-style-type: none"> Identifying where charges are not currently made. Identifying where cost recovery is not currently achieved. Review of existing charges against comparator charges. A total of eight areas were shortlisted as opportunities for further due diligence and validation. The council has subsequently worked with its Strategic Finance Partner, Ernst and Young, to develop these areas into deliverable fee and charge changes, which has resulted in the recommended fee and charge increases in this report. The full details of the report can be seen in the Appendix A. In total the recommendations would generate £117-217k in 2023-24 and £420-719k in 2024-25. The full recovery of the costs incurred in providing such services is permitted under the Localism Act 2011 and will reduce any risk of non-compliance with the Subsidy Control Act 2022. The recommendation covers five areas where fees and charges are increased or introduced during the current financial year, as follows: 		
Recommended Opportunity		Revenue Potential
		2023/24
		2024/25
	£	£

<p>Cemeteries and Crematoria <i>A 4% uplift in January is viable and in line with the original service proposal [i.e., 9% for the year]. However, the range is extended to 13% to reflect that based on external research, the in-year uplift could be higher (with the appropriate delegated authority), which would avoid January and April uplifts.</i></p>	<p>4-13% uplift in fees from January 2024.</p>	<p>44,210 – 143,683</p>	<p>132,630 – 431,050</p>
<p>Bristol Operations Centre <i>A charge of £58.84 per IT account is proposed for network provision across all internal Council services. A 10% increase in all internal and external fees is proposed to match inflation and support the service in cost recovery.</i></p>	<p>Implement internal charging for BNet at the earliest possible date. Increase all internal and external fees by 10% in 2024/25.</p>	<p>To be concluded upon finalisation of the recharge policy.</p>	<p>191,400</p>
<p>Markets <i>The Markets service plans to implement a 5% inflationary increase to all licenses and other fees from April 2024. This is in line with the approach taken in 2023/24 and does not require consultation.</i></p> <p><i>Engagement and consultation on a wider Markets Review is being planned for early 2024 considering relevant Markets law, which we are being advised on by markets specialists at the National Association of British Market Authorities. This will further review fees and consider other income opportunities, including how the council uses its Market Charter Rights to approve and support markets across the city. Implementation is unlikely to take place until quarter 2 or 3 of 2024.</i></p>	<p>Increase income targets by 5% in FY23/24 from January 2024. Increase income targets in FY24/25.</p>	<p>7,170</p>	<p>51,179</p>
<p>Venues and Events <i>In line with inflation, it was determined that there were very few opportunities to host additional events. The recommended outcome to increase average prices by 10% across cafés and kiosks was decided, at the earliest possible date.</i></p>	<p>Increase <i>average</i> prices across cafés and kiosks by 10% from January 2023.</p>	<p>51,000</p>	<p>No impact assumed, noting intent for concession model in 2024/25.</p>
<p>Register Office <i>A review of the current and historical fees charged for sub-services provided by the Council determined fees were not raised in the last financial year. It was determined price rises in two of the three sub-services was appropriate.</i></p>	<p>From January 2024:</p> <ul style="list-style-type: none"> ▶ Increase event booking fee from £30 to £50. ▶ Increase premise licence from £1,500 to £2,500. 	<p>15,000</p>	<p>45,000</p>

8. The report outlines the robust review of legislative, contractual, demand and service consideration undertaken to reach these proposals, including the financial performance, existing fee and product volumes, supporting analysis / benchmarking, opportunity range, implementation steps and risks and observations in each area.

Cabinet Member / Officer Recommendations:

1. Approves the fees and charges changes outlined within the report, Appendix A.
2. Authorises the Director of Finance and the Executive Director of Growth and Regeneration in consultation with the Cabinet Member City Economy, Finance and Performance to take all steps required to implement these changes.

Corporate Strategy alignment: The report outlines progress against an area of our budget, with recommendations based against comparator / benchmarking information to ensure continued focus on achieving cost recovery, value for money, financial competence and resilience, aligning with our organisation theme of Effective Development Organisation.

City Benefits: Ensures that council provided services are fairly and reasonably priced in comparison to competitors. Moving to an improved cost recovery basis for these service areas minimises the pressure on council budgets and therefore other service provision to the city.

Consultation Details: N/A

Background Documents: Budget Council: [ModernGov - bristol.gov.uk](https://www.moderngov.com/d/4280467/page/1)

Revenue Cost	N/A	Source of Revenue Funding	N/A
Capital Cost	N/A	Source of Capital Funding	N/A
One off cost <input type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input checked="" type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. Finance Advice: The report completed by Ernst and Young details a route to delivering a significant contribution toward the £500k revenue savings through increases in fees and charges in the latter half of 2023-24 following discussions with Service Leads and Directors. Delivering this level of savings is a key prong to helping the Council manage its finances sustainably and in contributing to delivering a balanced budget and the Medium Term Financial Plan.

The report identifies five areas where savings can be secured. In so doing, it usefully flags up cross-cutting issues including services believing income increases had to be capped at 5%, potential overlap with existing savings targets and a need for formal process to manage invest to save opportunities (which has been included in the current Medium Term Financial Plan).

The first saving assumes an uplift in fees for Cemeteries and Crematoria. The range of uplift modelled recognises the need to set charges aligned to market competitors who normally revise their fees in January. Raising charges then will require the service to be fleet of foot in benchmarking its prices to maximise the financial benefit in 2023-24.

The second saving is an internal charge for Bnet in 2023-24 and a 10% increase in fees charged for all users of the Bristol Operations Centre in 2024-25. The service previously considered any increases capped at 5% and believe increases can be delivered in 2024-25. The in-year rise created by an internal charge will need to be carefully implemented given the limited timeframe and current challenges in achieving existing savings targets.

The third saving is from a 5% uplift in market stalls in 2023-24 and a 10% uplift in 2024-25. This appears deliverable but will need to be well managed to ensure the changes are implemented in accord with expected policy and practice.

The fourth saving is from a 10% increase in prices at cafes and kiosks. As noted by the report, the most significant challenge in delivering this saving will be the challenges in achieving the existing savings target caused by a higher than expected staff turnover as a result of the announcement of potential outsourcing.

The fifth and final saving area is an increase in fees at the register office for bookings and premise licences.

The report also identifies further opportunities in Licensing and Trading Standards, Events and Docks and Harbours which could represent potential fallback options subject to effectively managing associated risks.

Finance Business Partner: Ben Hegarty, Finance Business Partner (Growth and Regeneration), 24/10/23

Legal Advice: Under the Localism Act 2011, the Council has a general power of competence to take any action that an individual can take, subject to certain restrictions. This includes the power to charge.

The charges levied set must also comply with the Subsidy Control Act 2022. Increasing fees as proposed under this report will reduce any risk of non-compliance.

Where consultation is required and takes place, the consultation responses must be conscientiously taken into account in finalising the decision. The leading cases on consultation provide that consultation should occur when proposals are at a formative stage, should give sufficient reasons for any proposal to permit intelligent consideration and should allow adequate time for consideration and response. There must be clear evidence that the decision maker has considered the consultation responses, or a summary of them, before taking its decision.

The Public Sector Equality duty requires the decision maker to consider the need to promote equality for persons with “protected characteristics” and to have due regard to the need to i) eliminate discrimination, harassment, and victimisation; ii) advance equality of opportunity; and iii) foster good relations between persons who share a relevant protected characteristic and those who do not share it.

The Equalities Impact Check/Assessment is designed to assess whether there are any barriers in place that may prevent people with a protected characteristic using a service or benefiting from a policy. The decision maker must take into consideration the information in the check/assessment before taking the decision.

Legal Team Leader: Sinead Willis, Team Manager Commercial and Governance Team, 21/11/23

Implications on IT: There are likely to be IT and digital implications of this activity ranging from updating online advertising of fees and charges through to changes in payment or other back-office systems, particularly if fees and charges are being freshly introduced for any services. There may also be requirements for service and process design activities, and other chargeable support costs. Engagement with IT services will help define and quantify these.

In regards the internal recharging proposal for BNET, IT services support the continued use of BNET as offering better value than alternative private sector provision. However, internal charging is likely to disperse a budget pressure rather than resolving it, and the methodology for any recharge should be carefully considered. The cost of BNET is not directly linked to user numbers and usage, and a fixed proportionate split across the council may be easier to enact than any proposal to track and charge per IT account, where fluctuation is constant. As the council seeks to lease and/or dispose of property assets, there may be opportunities to externally charge for BNET connections to sites which are currently council occupied but may have mixed-occupation or sole external occupation in future. This may offer commercial benefit which reduces internal recharging costs.

IT Team Leader: Alex Simpson, Lead Enterprise Architect, 23/10/23

HR Advice: No HR implications evident in the proposals.

HR Partner: Chris Hather, HRBP Growth and Regeneration, 25/10/23

EDM Sign-off	Ben Hegarty, Finance Business Partner Growth and Regeneration	13/09/23
Cabinet Member sign-off	Councillor Cheney, Designated Deputy Mayor with responsibility for City Economy Finance &	18/09/23

	Performance.	
For Key Decisions - Mayor's Office sign-off	Mayor's Office	27/11/23

Appendix A – Further essential background / detail on the proposal	YES
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	NO
Appendix E – Equalities screening / impact assessment of proposal (Please contact equalities.team@bristol.gov.uk for support. See also equality impact assessments)	YES
Appendix F – Eco-impact screening/ impact assessment of proposal (template available here) Lead officer for support Giles Liddell..	YES
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO
Appendix I – Exempt Information	No
Appendix J – HR advice	NO
Appendix K – ICT	NO
Appendix L – Procurement	NO