

**Teignbridge District Council
Full Council
28 September 2023
Part i**

FEES AND CHARGES MID YEAR REVIEW

Purpose of Report

To provide Members with an update on the recommendations from the Executive Committee meeting of 12 September with regard to the initial recommendations for an increase in fees and charges to address the additional costs that are being incurred by the Council and the subsequent amendments. The Executive report is appended together with the related appendices including the detailed listing of fees and charges.

Recommendation(s)

To approve the revised fees and charges listing to be implemented with effect from 1 October 2023 (car parking with effect from 1 November 2023) with the amendments as listed below:

- (1) That the Sunday Parking permit for the full day remain at £1, with free parking in all our car parks after 6pm**
- (2) That a blue badge yearly permit be introduced so that a holder of the disabled blue badge can park in an off road car parking space for the allotted time of the blue badge for a yearly cost of £30.00 for 1 year, £50.00 for 2 years or £70.00 for 3 years to be used in any Teignbridge owned car park**
- (3) The New Road Car Park, Starcross and the Kingskerswell Car Park will be allowed a residents permit which would allow people to pay monthly, 3 months, 6 months or a year - we are aware off the limited parking spaces so it doesn't guarantee a parking space but it takes away the hassle of feeding the meter each day. For simplicity permits charges which apply at the Strand Car Park in Starcross will be the same for the New Road car park and Kingskerswell which could be done on a trial basis for the next six months and see how it goes before the 2024-25 budget is set**

Financial Implications

The financial implications are contained within the report – specifically in section 3. The main implication is that the original Executive report suggested an increase in income for a full year of £346,050. This would be reduced to £103,360 if the additional recommendations are approved. The Chief Finance Officers recommendations are identified in 3.4.

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Legal Implications

There are no specific legal implications arising from this report. Any necessary statutory advertisements and notifications in relation to changes in fees and charges will be carried out accordingly. See section 5 of the Executive report and section 4 below in relation to the EIA. However, any proposed changes to the Council's fees and charges must be considered in the context of its financial situation.

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Risk Assessment

Risks are identified in section 6 of the Executive report. The major risks include the sensitivities around changes to charges on demand and net income received. In addition the changes to permits highlights an equalities risk as per the EIA (see appendix 2). This needs to be considered and addressed.

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Environmental/ Climate Change Implications

There are no environmental or climate change impacts arising from this report.

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Executive Member

Councillor Richard Keeling – Executive Member for Resources

Appendices/Background Papers

Appendix 1 – Executive report and appendices
Appendix 2 – Equalities Impact Assessment

1. PURPOSE

- To review the fees and charges listing to generate additional income to address the ongoing and increasing budget pressures arising from inflationary costs to deliver services and to advise Members on the potential impacts of the additional recommendations from Executive. This exercise was carried out following a request from the Executive Member for Corporate Resources to pull together a mid year review of fees and charges. The proposed changes were then consulted on with each Executive Member.

2. SUMMARY

- 2.1** The full listing of fees and charges was reviewed and updated as part of the February 2023 budget papers for 2023/24 financial year. It has become clear that since the budget was approved a likely pay rise for employees for 2023/24 is going to be significantly higher than was assumed in the medium term financial plan (MTFP). We have also seen reductions in income from recycling sales as the unit price has dropped. These adverse variances were identified as part of the financial report to Executive in July. In addition inflation has generally been higher than anticipated and is causing greater pressure to all elements of council spend on the associated services to which the fees and charges apply. The MTFP assumes fees and charges will go up by inflation each year however that rate has increased significantly from the 3 year assumption of 4% per annum.
- 2.2** The MTFP also identifies large budget gaps arising in future years which need to be addressed. These principally arise due to planned redistribution in funding for business rates and loss of New Homes Bonus. Further modifications will need to be made to address other issues being worked through including leasing costs for a new refuse vehicle fleet.
- 2.3** Fees and charges in all areas have been revisited. Some have not been impacted as they are prescribed by legislation and so changes at this time remain unaltered. Others have remained the same to encourage further recovery in numbers e.g., leisure memberships. The detailed listing of proposed charges can be found at: <https://www.teignbridge.gov.uk/council-and-democracy/finance/fees-and-charges/> where the existing charges are also documented.
- 2.4** Further changes are proposed as set out above and are explored in section 3 below.

3. FINANCIAL

- 3.1** The financial impacts are summarized in appendix 1 of the Executive report. This shows an anticipated additional gross income in 2023/24 of £145,470

(less costs of implementation of £36,000 for parking orders, software updates etc) providing a net income of £109,470 in 2023/24 and ongoing in future years of £346,050. The additional income in the current year is not so significant as the anticipated full year sum as a large element of seasonal car parking monies have already been received, the garden waste service renewal is from 1 September and there are other services where the subscription is paid in advance for the year.

3.2 The proposed changes from Executive will reduce the additional income projections as follows:

The proposal to leave Sunday parking at £1 rather than the proposed £1.10 will reduce the income projections by £5,720 in 2023/24 and by £11,000 in 2024/25 and subsequent years. (Adjustment recommendation (1)).

The proposal to introduce the blue badge yearly permit will reduce income we currently receive from pay and display. We calculate this could be in excess of £175,000 in a full year based on potential permit subscribers making one 3 hour visit per week and an element of these users making a second visit each week. It will also require additional administration and enforcement resources which will cost £56,690 per annum. **Members will need to approve the appointment of an additional admin officer and Enforcement Officer to the establishment for this recommendation to be implemented.** It is anticipated that there will be a significant number of applications for this scheme and enforcement will be very resource intensive. Additional support will be required to implement the IT changes. **It is also not clear whether we will need to offer refunds for unused periods of time.**

This recommendation could not be implemented until the resources are in place to allow this to operate and be managed so will be later than 1 November. **The wording allows permit holders to park in 'any' 'Teignbridge owned' car park. This would exclude any that are leased to the Council so wording would need to be amended to reflect use of all car parks managed by the Council so 'all pay and display' car parks and not in reserved bays. Use of the word 'any' space rather than just marked disabled bays creates the issue around loss of income. If the recommendation was just the disabled spaces then the lost income concerns would not arise. Clarity is also required as to whether the blue permit holder offer is to Teignbridge residents only or non residents too. Consideration should also be given to the proposed charge of £30 when compared to a TDC roving permit of £830. A charge of at least £253 would be required to eliminate the lost income and additional costs identified above.** (Adjustment recommendation(2)).

The proposal to implement **residents** permits in the car parks at New Road, Starcross and the Kingskerswell car park will need to be considered in light of the concerns raised within the EIA. **We currently don't offer a residents scheme within the District – just permits in specific car parks. Is the recommendation to offer 'residents' permits for the two car parks which will require specific checks on residency and for them to live in**

Kingskerswell or Starcross? Or can anyone apply for a permit within Teignbridge or outside of the area ?

- 3.3** In summary, the intended increase in annual income of £346,050 from the Executive report will be reduced by £11,000 for recommendation amendment (1), £231,690 (rising to £235,440) for recommendation amendment (2) (and approximately £77,000 for 2023/24 depending on implementation date). This reduces the additional income proposed to assist with the growing budget gap and financial costs of the Authority to £103,360 per annum (and £26,750 in 2023/24). In addition to this – if other car parks need to be considered in relation to permits for residents there could be a further impact on income which cannot be costed at present.

Changes to all charges will be implemented as soon as possible in October or November based on resources and support needed or later where necessary.

3.4 Chief Finance Officer recommendations:

The Chief Finance Officer would not recommend any change to the proposed original set of charges appended to the 12 September Executive report which are needed to reduce the ongoing yearly budget gap which is rapidly reducing the reserves available before a s114 notice would need to be served.

For the amended recommendation (2) above – if the blue permit charge is introduced this should be £253 per annum as a minimum – not £30 to reflect the costs to the Council and loss of income from other users. Members should reflect on the financial position of the Council and charges for other permits paid in car parks generally e.g. £620 per annum suggested for Cricketfield and £830 as the roving charge for all car parks.

4. LEGAL

Regular budget monitoring is required by the Council's Constitution and Financial Rules. Any necessary statutory advertisements and notifications in relation to changes in fees and charges will be carried out accordingly. The outcome of the EIA also needs to be considered. However, any proposed changes to the Council's fees and charges must be considered in the context of its financial situation.

5. RISKS

The major risks in changing charges is the impact on income and demand. These possible changes are mitigated by understanding what the potential sensitivities are in each area of activity. Consideration also needs to be taken of where we are in competition with other providers and their pricing structure. With this in mind certain charges have not been increased. The observations from the EIA also needs to be considered.

6. ENVIRONMENTAL/CLIMATE CHANGE IMPACT

There are no environmental/climate change implications.

7. DATE OF IMPLEMENTATION (CONFIRMATION OF DECISION SUBJECT TO CALL-IN)

No call in