



City of Westminster

# Cabinet Report

**Meeting or Decision Maker:** Cabinet

**Date:** 11<sup>th</sup> December 2023

**Classification:** General Release

*Appendix 2 (B) Commercial Waste Fees  
exempt from public disclosure*

**Title:** Fees and Charges Review

**Wards Affected:** All

**Cabinet Member/Lead  
Member:** Councillor Boothroyd

**Key Decision:** Yes

**Financial Summary:** Budgeted income from fees and charges for 2023/24 is £149m. The income from fees and charges helps to manage demand and cover costs for providing services. Changes proposed to fees and charges are anticipated to deliver £7.829m additional income in a full year and £1.166m in 2023/24.

**Report of:** Gerald Almeroth, Executive Director of  
Finance and Resources

## 1. Executive Summary

- 1.1. This report sets out the context for this year's annual review of fees and charges. A significant focus of the approach to fees and charges is full cost recovery, to ensure that charges remain in line with increases being experienced in the cost of delivering services.
- 1.2. Budgeted income from fees and charges for 2023/24 is £149m. This includes discretionary charges set by the Council through this annual review process and statutory charges set by statute.
- 1.3. The fees and charges review undertaken is in line with previous years approaches, proposing as a starting principle that all charges adopt an inflationary increase. This keeps fees and charges aligned with full cost recovery as much as is possible.
- 1.4. The September 2023 Consumer Price Index (CPI) annual increase of 6.7% is being used as the measure of inflation as it is approximately one year since the last increase in fees and charges were applied. This inflationary increase of 6.7% has been applied to all fees and charges where a standard inflationary rise is supported and appropriate.
- 1.5. In some exceptional cases it is recommended that a different approach is taken and fees and charges either reduce, remain the same or increase at a rate above or below inflation. In several cases the actual fee or charge is also rounded so as to simplify the fee structure and charging mechanism. Further detail of these exceptions is included within this report, at paragraph 5.01 – 5.27.

## 2. Recommendations

### 2.1. That Cabinet is recommended to:

1. Approve the changes to fees and charges as outlined in **Appendix 2** of this report
2. Approve that authority be delegated to the Executive Director for Finance and Resources to make minor or technical adjustments to any fees and charges in year, in consultation with the relevant Cabinet Member.
3. Approve the unchanged Fees and Charges Policy at **Appendix 1**.

Note the outcome of the call-in on the parking fee structure review which is being heard on 6 December 2023, the outcome of which will be reported to the Cabinet orally at the meeting.

## 3. Reasons for Decision

- 3.1. To agree the Council's fees and charges position and changes from 1 January 2024 at the earliest.

#### **4. Background, including Policy Context**

- 4.1. The budget for fees and charges in 2023/24 is £149m Fees and charges are reviewed annually with a strong supporting link to the medium-term financial planning process. The Council's Fees and Charges Policy is unchanged and attached at **Appendix 1**. The main points are as follows:

- Fees and charges will be reviewed annually as part of the budget setting process.
- Income from charges for a service, taking one financial year with another, should not exceed the cost of provision.
- Fees and charges will be calculated on a full cost recovery basis. Any concessions will be specified and separately agreed
- Fees and charges will be approved or noted by Cabinet each year with implementation of those charges as early as practicable.

- 4.2. Some fees and charges are set and amended by statute or through contractual arrangements and so do not require Cabinet decision. Examples include parking penalty charge notices and planning application fees. However, for the remaining fees and charges the Council has discretion to amend as appropriate.

- 4.3. Last year a 10.1% inflationary rise was applied to the majority of the fees and charges in order to keep up with cost inflation. However there were a number of below inflation increases applied including a 5% increase for Road Management, Resident Permits and Kerbside Permissions.

- 4.4. This year, an inflationary assumption of 6.7% has been used and applied to fees and charges where a standard inflationary rise is supported unless the service is actively reviewing their pricing structures. Inflation has fallen slightly over the last year with the CPI annual increase reaching 6.7% in September. September CPI tends to be the trigger for cost inflation on contracts across the Council. This ensures that cost recovery can be largely maintained.

- 4.5. Both the Bank of England and The Office for Budget Responsibility (OBR) are forecasting inflation to fall to around 4.75 - 4.8% by the end of the year, however the impact of global events make absolute forecasts difficult.

- 4.6. The full year impact of the proposed changes to Council fees and charges is an increase of £7.829m (compared to an increase of £6.220m last year).

- 4.7. A full list of the proposed fees and charges is set out in **Appendix 2**.

## **5. Proposed Changes to Fees and Charges**

All increases by inflation of 6.7% and above are detailed below

### Commercial Waste

- 5.1. Contract prices have increased greater than the current CPI with the waste contract increasing 7.9% and the disposal contracts by 10.4%. As a result, an average increase of 10% is proposed. Overall impact is £1.000m. This is due to larger increases occurring on less income generating items.
- 5.2. In order to arrive at contract prices, categories of services have been reviewed independently, taking into account how competitive the price is, the impact on encouraging customers to take up recycling services and individual cost drivers.

### City Promotions, Events & Filming

- 5.3. Proposed average increase of 10%. Service has sought to apply increases proportionately across price points to ensure it continues to drive revenue and recover costs, but whilst trying to remain competitive. Overall impact is £0.120m.

### Local Land Charges

- 5.4. It is proposed that local land charges are increased by 7.98%. This uplift is proposed following a review of charges in the service and it is felt that there is elasticity in the market to allow this increase. Overall impact is £0.126m.

### Libraries

- 5.5. Proposed increase 6.7%, with increases across a large number of fees averaging out at this figure. The Libraries and Archives service have reviewed all their fees & charges, ensuring full cost recovery where possible. This has resulted in the complete removal of some services that have been abrogated whilst, also adding in any new fees and charges. The increase is in line with inflation. Overall impact is £0.041m.

### Discretionary planning fees

- 5.6. Proposed average increase 8.2%. The proposal is to increase the more complex pre-application fees by 10% whilst uplifting all other fees by 6.7%. The 10% increase on more complex applications follows an exercise which compared fees with other local planning authorities. This increase brings Westminster fees more in line with other authorities including Camden, Islington and City of London. Overall impact is £0.199m.

### Building Control

- 5.7. Proposed increase 6.7%. The increase is in line with inflation. Overall impact is £0.035m.
- 5.8. In addition, a new fee is to be introduced in year in order to support the Building Safety Regulator (BSR) under the provisions of the new Building Safety Act 2022. This will involve overseeing work to High Rise Buildings and will be set up on a cost recovery basis and has been set at £175 per hour.

#### Legal Charges

- 5.9. Proposed increase 6.7%. The increase is in line with inflation. Overall impact is £0.051m.

#### Leisure

- 5.10. An average uplift of 7.8% is proposed for Leisure-related Fees & Charges as part of the Leisure Service Contract. This has been reached in discussion with the contractor, balancing a commercial return and affordability for users.
- 5.11. 0% is proposed for Health & Wellbeing fees & charges. This is a smaller set of activities which within the context of the contract are targeted to achieve specific outcomes, to incentivise people to keep active, rather than a commercial return.

#### Highways

- 5.12. Proposed increase of 6.7%. The increase is in line with inflation. Overall impact is £0.763m.

#### Cemeteries

- 5.13. Proposed increase 8.8%. The increase follows a benchmarking of income against other neighbouring authorities and their charges for comparable burial arrangements. Overall impact is £0.026m

#### Bulky Household Waste

- 5.14. Proposed increase 6.7%. The increase is in line with inflation. Overall impact is £0.015m

#### Registrars

- 5.15. Registrars' fees and charges are set two years in advance with financial years for 2024/25 and 2025/26 to be considered for December 2023 Cabinet. It should be noted that fees for 2024/25 were considered at December 2022 Cabinet. The 2024/25 uplifts have now been reviewed again, resulting in an 11.0% uplift on average.

- 5.16. Fees have been set at full cost recovery. Setting fees in advance is necessary to allow pre-bookings for ceremonies (weddings etc) and offers customers the assurance of a price certainty. This is necessary in order to cater for advanced ceremonial bookings. Indicative overall annual impact for 2024/25 is £0.143m

All increases below 6.7% are detailed below

HMO Licensing

- 5.17. HMO licences proposed to be uplifted by 4.18%. The increase is based on all direct and indirect costs. This is below current inflation as the cost is mainly dictated by the National Joint Council 2023/24 Pay Offer (cost base is mainly staff costs). The impact of this will not occur until 26/27 due to legislative changes that only require HMO licenses to be sought once every 5 years.

Automatic Public Conveniences

- 5.18. Proposed nil increase as not cost effective to change the charging mechanisms.

Fees subject to review

Sayer's Croft

- 5.19. Sayer's Croft fees are subject to ongoing review and will be subject to Cabinet Member decision, at a later date.

## New Fee Structures

### Pay to Park, Resident and Trade Permits<sup>1</sup>

- 5.20. Parking services are proposing a new fee structure, which would see charges banded based upon vehicles' individual tailpipe emission levels of Carbon Dioxide (CO<sub>2</sub>). The concept was approved in June 2023 and Parking are now developing the charging rates to propose.
- 5.21. The proposals for emissions-based charging constitute part of Parking Services' ongoing Parking Policy Review, the over-riding objective of which is to encourage modal shift away from private vehicle use and/or to discourage the use of older, more polluting vehicles.
- 5.22. The impact for 2024/25, including existing commitments is £3.680m for Pay to Park, £0.840m for Resident Permits and £0.090m for Trade Permits.

### Parking Suspensions

- 5.23. The charging model for Suspensions has been under review, with a move to adopt Highways' "Traffic Sensitive Streets" (TSS) model approved earlier this year. Implementation was rephased to allow for the new Parking systems changeover and is now expected to take effect early in 2024. The impact for 2024/25 is £0.500m

**The following fees and charges are set outside of routine annual cabinet agreement process.**

### Adult Education

- 5.24. Setting of fees and charges for Adult Education services is delegated to the WAES Board. Decision taken in Feb 2022 to not increase fees for academic year 2023/24

### Licensing

- 5.25. Licensing fees are approved by the Licencing Committee, who are responsible for all matters relating to the discharge by the Authority of its licensing functions including determining fees and charges.
- 5.26. Licensing Committee is due to meet in January. A 4% increase is estimated, to be decided upon in January.

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<sup>1</sup> These are detailed in the Cabinet Member Report entitled "[Parking Fee Structure Review](#)". This report was approved by the Cabinet Member on 16 November 2023 and it was called in by Policy and Scrutiny Members on 20 November 2023. The call-in will be heard by the Climate Action, Environment and Highways Policy and Scrutiny Committee on 6 December 2023. The outcome of this call-in will be reported to Cabinet on 11 December 2023.

## Penalty Charge Notices

- 5.27. London Councils are currently consulting on potential changes to the Statutory Penalty Charge Notices. Consultation ended in October, a paper will now go to London Councils' Transport and Environment Committee for a decision in December. Both the Mayor and Secretary of State have the power to veto any changes.

## **6. Financial Implications**

- 6.1. Full cost recovery for chargeable services is a key element of the Council's Fees and Charges Policy. This ensures that any increases in the cost of delivering chargeable services are reflected in the setting of fees and charges to avoid additional cost pressures on the council. Such pressures would be in addition to the pressures already being faced by the council in relation to reduced demand for its chargeable services as a consequence of the pandemic's impact on the local economy.
- 6.2. The application of a 6.7% inflationary rise across most fees and charges, results in total additional income of £7.829m in a full year. £7.9m is an average increase of 5.2% against the total fees and charges income, but if you exclude fees where these are set by other bodies or Central Government, then this increases to just over 6%.
- 6.3. For 2023/24 the level of benefit is less given that not all fees are planned to be introduced in this financial year due to considerations needed for the implementation of some fees. This also includes timelines to update systems utilised to collect income or for individuals to use services. It is estimated that the part year impact would be an increase in income of £1.166m. The table below shows a summary of impact across the main service areas.

	Change (Average uplift)	23/24 Q4 Impact
	%	£m
Land Charges	7.98	0.025
Paid for Parking	N/A (new fee)	0.800
Kerbside Permissions	N/A (new fee)	0.050
Road Management	6.70	0.190
Registrars	11.00	0.051
Planning	8.20	0.050
<b>Total</b>		<b>1.166</b>

*For Paid for Parking, in year impact of £800k already exists as part of the 23/24 MTFP.*



- 6.4. The table on the below shows the comparative increases across the services between the years. Whilst the changes implemented last year increased income from fees and charges by £6.220m overall, this year the changes result in additional income of £7.829m. Although inflationary tracked increases are slightly less than last year, the increased income from new parking fee structures is driving the additional income.
- 6.5. It should be noted that there is no direct comparison possible for Parking fees and charges between the 2 years, as there is a new fee structure in place for 2024/25. However, the overall difference across parking is included for the purpose of comparing the impact of increases.

Fee	23/24 % change	23/24 estimated impact	24/25 % change	24/25 estimated impact	Change between 23/24 and 24/25
		£m		£m	£m
Pay to Park	8.80%	2.250	n/a	n/a	
NEW FEE - Pay to Park – Emissions Based Charging (EBC)				3.680	1.430
Kerbside Permissions	5.00%	0.850	n/a	n/a	
NEW FEE - Kerbside Permissions Traffic Sensitive Streets				0.500	-0.350
Parking Permits (Trade)	8.80%	0.070	n/a	-	
NEW FEE -Parking Trade Permits EBC				0.090	0.020
Parking Permits (Residents)	5.00%	0.200	n/a	n/a	
NEW FEE - Resident Permits EBC		-		0.840	0.640
Commercial Waste	10.90%	1.100	10.00%	1.000	-0.100
Licencing & PPL	10.40%	0.149	4.00%	0.200	0.051
Cemeteries	-	0.000	8.80%	0.026	0.026
Bulky Household Waste	0.00%	0.000	6.70%	0.015	0.015
Road Management –(plus CCOP)	5.00%	0.490	6.70%	0.763	0.273
Land Charges	10.10%	0.130	7.98%	0.126	-0.004
Building Control	10-20%	0.050	6.70%	0.035	-0.015
Planning Fees	18.20%	0.388	8.20%	0.199	-0.189
Leisure	7-11%	-	7.80%	-	n/a
City Promotions & Events	10.10%	0.070	10.00%	0.120	0.050
Legal	0.00%	0.000	6.70%	0.051	0.051
HMO licences <sup>1</sup>	48.00%	0.271	4.18%	0.000	-0.271
Libraries –Venue & Events Hire	11.10%	0.054	6.70%	0.041	-0.013
Registrars			11.00%	0.143	0.143
<b>Total</b>		<b>6.220</b>		<b>7.829</b>	<b>1.757</b>

## 7. Legal Implications

- 7.1. Legal Implications are contained within the Fees and Charges Policy at paragraphs 1.3 and 1.4. This Policy can be found in **Appendix 1**.
- 7.2. Some services the Council provides are mandatory and governed by specific legislation whilst other services provided are discretionary. Discretionary services are those which the Council is permitted to provide but not required to provide.
- 7.3. The Cabinet has the authority under chapter 3 of the Council's Constitution to decide the recommendations in section 2 of this report.
- 7.4. The Council has a general power of competence under section 1 of the Localism Act 2011. This is the power to do anything an individual can do provided it is not prohibited by other legislation. The general power of competence expressly includes the power to do something for the benefit of the authority, its area, or persons resident or present in its area. The Council also has subsidiary powers under section 111 of the Local Government Act 1972 (LGA 1972) to authorise the provision of a service to facilitate the discharge of a specific function.
- 7.5. The Council has the power to charge for discretionary services under section 93 of the Local Government Act 2003 (LGA 2003). Discretionary services are those services authorised by statute that a local authority is not required to provide but may do so voluntarily (section 93(1)(a), LGA 2003). The Office of the Deputy Prime Minister (ODPM) has published guidance relating to charging for discretionary services entitled 'General Power for Best Value Authorities to Charge for Discretionary Services - Guidance on the power in the Local Government Act 2003' (2003 ODPM Guidance).
- 7.6. A recipient of the discretionary service must agree to its provision and cannot be required to pay for a service they do not wish to receive or use. Anyone who requires the service agrees to take it up on those terms. (section 93(1), LGA 2003). The section 93 charging power does not apply where there is a power to charge for a particular service elsewhere in other legislation or if other legislation expressly excludes an authority from charging (section 93(2) LGA 2003). Section 93 allows the Council to recover the costs of providing services or improvements to services that it might not otherwise be able to justify providing or be in a position to provide. The Council is under a general duty to secure that, from one financial year to the next, the income from charges for services does not exceed the costs of its provision. (section 93(3), LGA 2003).
- 7.7. There are no provisions within section 93 for calculating income and expenditure of discretionary charges. This is left to the Council's discretion. The 2003 ODPM Guidance suggests how income and expenditure should be

calculated and suggests that a local authority in deciding on its methodology for assessing costs may find it helpful to draw on the Chartered Institute of Public Finance and Accountancy Best Value Accounting Code of Practice (Code). The Council can set the level of charge for each discretionary service as long as the income from charges for each kind of service does not exceed the costs of its provision (section 93(5), LGA 2003). The Council does not have to recover the full costs of providing the service if there are policy reasons for limiting the charges in relation to a particular user of the service.

- 7.8. The Council has the power under section 19(1)(a) of the Local Government (Miscellaneous Provisions) Act 1976 (LGMPA 1976) to charge for the provision of recreational facilities and may charge whatever payment it considers to be appropriate. The Council also has the power under section 45 of the Road Traffic Regulation Act 1984 to charge for street parking.
- 7.9. In accordance with the above, the Council has the statutory power to charge the fees and charges outlined in Appendix 2.

## **8. Carbon Impact**

- 8.1. Fees related to recycling are set at less than other costs to encourage uptake of these services, and to improve the council's recycling rates.
- 8.2. Parking services are proposing a new fee structure, which would see charges banded based upon vehicles' individual tailpipe emission levels of Carbon Dioxide.

## **9. Equalities Implications**

- 9.1. The Council must have regard to its public sector equality duty under section 149 of the Equality Act 2010. In summary section 149 provides that a Public Authority must, in the exercise of its functions, have due regard to the need to: (a) eliminate discrimination harassment, victimisation and any other conduct that is prohibited by or under this Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and (c) foster good relations between persons who share a relevant protected characteristics and persons who do not share it.
- 9.2. Section 149 (7) of the Equality Act 2010 defines the relevant protected characteristics as age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.
- 9.3. The Council believes that these proposals do not adversely impact or unlawfully discriminate against any protected characteristics.

**If you have any queries about this Report or wish to inspect any  
of the Background Papers, please contact:**

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## **APPENDICES**

**Appendix 1** - Fees and Charges Policy

**Appendix 2** - Proposed Fees and Charges by Service Area