



Chelmsford City Council

18th December 2024

Review of Fees and Charges

Report by:
Cabinet Member for Finance

Officer Contact:
Phil Reeves, Accountancy Services Manager(s151), phil.reeves@chelmsford.gov.uk

Purpose

For Council to note the approach to fees and charges, approve a number of changes to fees and charges that are outside delegations and approve new charges for household garden waste collections.

Recommendations

- 1) That Council notes the overall approach
 - 2) That Council approves
 - a. the specific changes to fees and charges set out in the report that are above delegations
 - b. new charges for household garden waste collections as set out in the report.
-

Executive summary

Recent Government announcements on council funding have increased the budget challenges for 2025-26 and beyond, compared to our report in October, requiring action now. The Annual Financial Review in October reported forecast budget deficits of £4m for 2025-26 and £13.3m for the full forecast period to 2030, even after taking account of anticipated cost savings, higher government support and increased council tax and revenue from fees and charges. Without these, the reported gap for 2025-26 would have been £6.5m. But the end of 14 years of reducing grants under the previous government had allowed us some “reasons to be hopeful that Government funding may increase” and that the forecast budget deficits would reduce.

Since then, the Government has made several announcements, including confirmation of new Extended Producer Responsibility funding (which is guaranteed at £1.7m for 2025-26). Details of other support from Government will be announced in the 2025-26 grant settlement later this month. But the hopes we had two months ago have evaporated as the Autumn Budget added extra National Insurance and National Living Wage costs and other news releases since have signalled clearly that Government support will be switched away from areas like Chelmsford that are felt to be doing well.

The Government’s recent announcements have therefore made the challenge of setting budgets for 2025-26 and into the future significantly more difficult. Council will set next year’s budget in February; budget proposals will initially be published in January ahead of the Cabinet meeting. These will need to take account of the grant settlement once it is known, the latest revenue and capital forecasts and the outcome of service budget reviews.

But it’s clear that balancing the budget and maintaining the level of reserves over the forecast period to 2030 requires urgent action now to protect the vital services that our residents rely on. That is why this report updates Council on increases in fees and charges being made under officer delegations, seeks approval to increase car parking and bereavement charges which cannot be made under officer delegation, and also proposes the introduction of a new charge for emptying brown bins from 1 March 2025.

Even by taking all of these actions, uncertainty remains until we are clear what the Government proposes. So there may still be a budget shortfall to address at the next meetings of Cabinet and Council.

1. Background

1.1 In October, the Cabinet received a report on the Council’s finances, the Annual Financial Review. This identified a projected budget gap of £4m for 2025/26; across the forecast period ending in 2029/30, it forecast a total shortfall of £13.3m.

1.2 Since this was published, the Government has made several announcements about funding streams for councils in future, as well as the Autumn Budget

announcement of increases in Employer NICs and National Living Wage rates. These announcements include in particular:

- a Financial Policy Statement (FPS) setting out the Government's intended approach to local government finance, and
- initial allocations of Extended Producer responsibilities (EPR) payments, a new levy on packaging production which is collected by Government and paid over to councils. The City Council's first year allocation is guaranteed to be at least £1.7m.

1.2.1 This EPR funding will make a useful contribution towards closing the Council's £4m budget gap for 2025/26. However, the Government's FPS implies that there will be more gloomy news once the announcement of the grant settlement is available close to Christmas. This is the statement of the amounts of grant support for each local council, including Chelmsford.

1.2.2 While the Government has guaranteed no council will see a fall in Core Spending Power (CSP) in 2025/26, its announcements so far indicate that Chelmsford may receive significantly less than expected in early October, which could mean the net gain to the City Council is well below the full £1.7m EPR that has been announced. We will not know how much of the gap remains until the grant settlement has been announced and the s151 officer has studied it.

1.2.3 For 2026/27 and beyond, there are significant threats to the Council's financial viability from the recent FPS announcements.

- There is a clear commitment to change the way funding is allocated in 2026/27, with funding redirected to authorities with weak tax bases and high deprivation. This is unfavourable to the City Council.
- There is also a commitment to change the calculations of the amount of business rates councils retain (the Business Rate Retention scheme). As the City Council's 2024/25 budget includes £2.25m Business Rate Retention income, future budgets could be heavily affected by these changes.

These changes are likely to disadvantage Chelmsford, and the Council must look to strengthen its own local income generation to help alleviate risks.

1.2.4 Overall, we should expect a net improvement from EPR and the grant settlement combined but they will not be sufficient to close the £4m budget shortfall.

1.3 So, we still need to raise additional income from fees and charges. Following a review, it is now recommended that several changes should be made in the current structure of fees and charges. Some of these (listed in paragraph 2.3) can be made under delegation. Others (set out in paragraphs 2.1 and 2.2) require Council approval as they are above delegated levels.

1.4 Cabinet agreed in October, in case other actions were not sufficient for a balanced 2025-26 budget to be set, that a new charge for collecting garden waste should be designed. As there is no longer any realistic expectation that this can be avoided, the proposals for a new charge are now set out in the report (section 3).

2. Proposed Changes to charges

2.1 Car parking Charges

2.1.1 Officers undertook a thorough review of car parking tariffs and this section sets out the proposed changes.

2.1.2 Financial Impact: Assuming consistent throughput levels, the proposed ticket price increases are expected to generate an additional gross income of £720,000 each year. If approved, the increases will be implemented on (or about) 17th February 2025.

2.1.3 The schedule of charges is included in **Appendix 1**. The main details are set out below.

2.1.4 The objective is to ensure that the Council's car parks remain competitive within Chelmsford's off-street parking provision and at Hylands park, effectively manage demand, and generate sufficient income for maintenance and reinvestment.

2.1.5 Summary of proposed changes:

Long Stay Car Parks:

- Full-day charge to increase by £0.50; 48-hour charge to increase by £1.00.
- Weekend Day Rates: Townfield Street, Coval Lane, Fairfield Road, and Glebe Road rates to change from £3.50 to £5.00.

Short Stay Car Parks:

- Charges to increase by 10%, except for a 20p increase on the 30 minute tariff and a 50p increase on the 1-hour tariff.

Hylands car parks:

- 1-hour and daily parking prices to increase by between 15p and 50p; equivalent increases in season ticket prices.

Other changes

- Meadows Retail Car Park Tariff: Align with Baddow Road, transitioning from short-stay to mixed-stay charges.
- Evening Charges: Increase by £0.20 across all car parks.
- Season Tickets: Charges to increase by 10%

2.2 Bereavement Charges

- 2.2.1 The vast majority of income generated from Bereavement Services is derived from the fees charged for carrying out cremations, with smaller amounts from grave purchase and interments.
- 2.2.2 To inform the approach to setting charges for Bereavement Services, the headline charges are compared across crematoria in Essex and the east London catchment area. Since 2012, the pricing strategy for the cremation charge at Chelmsford has been to try to position charges at around the average of those in the comparison group.
- 2.2.3 This report proposes continuation of this approach, the cremation of an adult being set at £1,265. This would be a £131 increase. This would be slightly higher than the forecast comparison group average, allowing for likely increases in the prices charged by other crematoria.
- 2.2.4 The cemetery is running out of space and the City Council will need to acquire land within the next few years in order to continue to offer a burial service. In the past, the charge for grave purchase (known as the Exclusive Right of Burial) has been set using a similar comparison with charges in a comparison group of cemeteries. However, this means we have not reflected the increasing prices for land – both the value of the land at the existing cemetery and the price we'll have to pay for land we have yet to acquire. This report, therefore, proposes that the fees for a grave purchase should be increased to £2,150, a £321 increase.
- 2.2.5 There is a separate charge for burial in a grave. For a resident exceeding 18 years of age, it is proposed to increase the charge to £1,241, a £113 increase.
- 2.2.6 These increases are for implementation in February 2025. If there is no change in market share, and subject to other external factors, they would raise additional revenues of £257k in a full year. The increase in the cremation charge would account for £236k of this, based on 1,800 cremations per year. The increase for burials and interments would account for the remaining £21k.

2.3 Other Fees and Charges

- 2.3.1 In addition to the increases discussed in 2.1 and 2.2 above, directors (in consultation with the appropriate cabinet members) will be authorising increases in all areas, including the following: commercial waste collection, special bulky waste collection, taxi and PHV inspections, leisure centre charges, outdoor sports pitch hire and (once Govt increases the statutory limits) fees for planning applications. Other charges are continuously set according to market conditions and this approach will not be changed: theatre tickets and merchandise, museum merchandise, Hylands events. Some other charges,

including market rents, commercial property rentals, etc., will be adjusted over time in the normal way.

- 2.3.2 The budget report will identify the expected income achievable from all the changes to fees and charges.

3. Introduction of charges for garden waste collections

3.1 It is proposed to introduce a charge for household garden waste collections. This would be effective from 1 March 2025, with householders invited to apply for a 'subscription' (the online system is expected to be open from 6 January 2025). The first-year subscription would run from March 2025 to Feb 2026.

3.2 The service provided would constitute the collection of one 240Lt wheeled bin once every two weeks in the same way as the current free service operates. Residents who subscribe should see no difference from the current service.

3.3 The service would be for a guaranteed minimum of 20 collections per year, allowing for periods of adverse weather or ground conditions when collections cannot be safely made. But the aim will remain a collection every two weeks throughout the year. If the minimum service level cannot be provided, part refunds will be offered (but not in any other circumstances).

3.4 The proposed charge for garden waste collection for 2025/26 is £60.00 for the collection of one 240Lt wheeled bin. Householders would be able to pay for collection of a second bin. It is proposed that the charge for collecting a second wheeled bin will be £30.00. Wheeled bins will be supplied by the Council at no charge.

3.5 If a household is currently claiming Council Tax Support, it is proposed that a discount will be able to be claimed for the service, reducing the charge for the first bin to £45.00 (and they may also pay for a second bin at £30.00, if required). The householder would need to prove eligibility for a discount by providing a valid CTS reference number.

3.6 Subscriptions will relate to the address, not the resident. So, if a householder moves within the City Council area, they may acquire any existing subscription but would need to pay for a new subscription at the full annual price if the new property doesn't already have one. If a household moves out of the City Council area, there will be no entitlement for refunds for part of the year.

3.7 It is difficult to predict the likely take-up of subscriptions for garden waste collections with certainty but based on the experience of other Essex authorities who have recently introduced a charge (Basildon, Braintree and Colchester) a

take-up rate of at least 40% of eligible households is a reasonable planning assumption.

3.8 Based on these proposals the introduction of a charge for garden waste collections is likely to generate a net financial benefit to the Council of around £1.3m each year, after allowing for any additional costs to set up and operate the service with a charge. If a higher level of take-up is achieved the net benefit improves by around £45,000 for every additional 1% in take-up.

4. Summary of Financial Implications

4.1 Overall, in the full year 2025/26, the increases in car parking and bereavement charges will generate an extra £0.977m, plus a further £1.3m from the introduction of the household garden waste charge.

4.2 The October Cabinet report, Annual Financial Review, identified a £4m budget shortfall for 2025/26. The forecast shortfall allowed for an average 3% increase in charges, so the approvals sought from Council in this report to increase fees and charges result in a reduction of deficit by £0.68m and a further £1.3m from the introduction of the household garden waste charge.

4.3 The value of additional income from the charges being approved under delegation will be included in the Budget report made to January Cabinet.

4.4 The impact of changes recommended will be monitored via the normal revenue monitoring processes during 2025/26.

List of appendices:

Appendix 1 - Fees and Charges proposals for Car Parking

Background papers:

Nil

Corporate Implications:

Legal/Constitutional: The decision to increase and implement fees and charges in year is beyond officer and member delegations and requires Council approval.

The Council has a general power to charge for discretionary services under Section 93 of the Local Government Act 2003 and under the power of general competence in Section 1 Localism Act 2011. The general principles on charging are that authorities must not charge for a service if legislation prohibits it from doing so and conversely must charge where required to do so. Where there is no specific power or prohibition authorities may use powers in either s93 Local Government Act 2003 or s1 Localism

Act 2011 to make charges for discretionary services. The Council is not permitted to make a profit from providing a service unless the service is provided through a company in accordance with section 95 Local Government Act 2003 or section 1 Localism Act 2011.

Financial: The approvals sought from Council to increase fees and charges will over the course of the full year are estimated to increase income by £0.957m. The introduction of a charge for garden waste is expected to generate an extra £1.3m in the 2025/26, the first fall year. The funding will contribute to resolving the forecast budget shortfall and reduce the financial risks the Council faces.

Potential impact on climate change and the environment: None

Personnel: None

Risk Management: The risk that income may be adversely affected by the higher charges has been considered in the proposals and the risk is considered manageable.

Equality and Diversity: An equality impact assessment has been undertaken in respect of the proposed introduction of a charge for garden waste collections. As there are no policy changes, other than this service being subject to a charge, the potential impacts are low. All eligible households will still receive collections of garden waste on the same basis as existing, providing the household has subscribed to the service. The provision of assisted collection for those with limited mobility will continue as is the current practice. In terms of ability to pay a discounted rate is available for those in receipt of Council Tax Support.

Health and Safety: None

Digital: None

Other: None

Consultees:

Relevant Policies and Strategies: All Financial policies

Proposed Carpark charges compared to existing ones

Baddow Road	Charging Period		Existing (£)	Proposed (£)
Monday to Sunday (5am to 5pm)	Up to	1 hour	2.00	2.50
		2 hours	3.30	3.60
		3 hours	4.50	5.00
	Over	3 hours	8.00	8.50
Evening and Overnight: Monday to Sunday (5pm to 5am)			1.50	1.70

Moulsham Street	Charging Period		Existing (£)	Proposed (£)
Monday to Sunday (5am to 5pm)	Up to	30 Minutes	0.50	0.70
		1 hour	1.50	2.00
		2 hours	2.50	2.80
		3 hours	4.00	4.40
	Over	3 hours	8.00	8.50
Evening and Overnight: Monday to Sunday (5pm to 5am)			1.50	1.70

Meadows Retail	Charging Period		Existing (£)	Proposed (£)
Monday to Saturday (5am to 5pm)	Up to	1 hour	2.00	2.50
		2 hours	3.50	3.60
		3 hours	4.70	5.00
		4 hours	6.20	8.50
		5 hours	9.00	
		6 hours	10.00	
		7 hours	12.00	
	8 hours	16.00		
Over	8 hours	19.00		
Saturday and Sunday (5am to 5pm)	Up to	1 hour	2.00	5.00
		2 hours	3.50	
		3 hours	4.70	
	Over	3 hours	6.20	
Evening and Overnight: Monday to Saturday (5pm to 5am)			2.50	1.70

Coval Lane, Glebe Road, Fairfield Road and Townfield Street	Charging Period		Existing (£)	Proposed (£)
Monday to Friday (5am to 11pm)	Up to	1 hour	2.50	3.00
		2 hours	3.50	4.00
		3 hours	4.50	5.00
	Over	3 hours	10.00	10.50
		2 days	20.00	21.00
Saturday and Sunday (5am to 6pm)			3.50	5.00
Evening and Overnight: Monday to Saturday (5pm to 5am)			2.50	2.80

Rectory lane East and Rectory Lane West	Charging Period		Existing (£)	Proposed (£)
Monday to Friday (5am to 5pm)	Up to	30 Minutes	0.50	0.70
	Over	30 Minutes	8.00	8.50
Saturday and Sunday (5am to 5pm)	Up to	30 Minutes	0.50	0.70
	Over	30 Minutes	3.00	4.00
Evening and Overnight: Monday to Sunday (5pm to 5am)			1.50	1.70

High Chelmer Multi-Storey* and Meadows Surface and Parkway	Charging Period		Existing (£)	Proposed (£)
Monday to Saturday (6am to 6pm)	Up to	1 hour	2.00	2.50
		2 hours	3.50	3.90
		3 hours	4.70	5.20
		4 hours	6.20	6.80
		5 hours	9.00	8.80
		6 hours	10.00	11.00
		7 hours	12.00	13.20
		8 hours	16.00	17.60
Sunday (6am to 6pm)	Up to	1 hour	2.00	2.50
		2 hours	3.50	3.90
		3 hours	4.70	5.20
	Over	3 hours	6.20	6.80
Evening and Overnight: Monday to Saturday (6pm to 6am)			2.50	2.80

Regina Road carpark	Charging Period		Existing (£)	Proposed (£)
Monday to Friday (6am to 6pm)			8.00	8.50
Saturday and Sunday (6am to 6pm)	Up to	1 hour	2.50	3.00
		2 hours	3.00	3.50
		3 hours	4.50	5.00
	Over	3 hours	6.50	7.00
Evening and Overnight: Monday to Sunday (6pm to 6am)			1.50	1.70

Riverside, Waterloo Lane 1, Waterloo lane 2 and Waterloo lane 3	Charging Period		Existing (£)	Proposed (£)
Monday to Sunday (6am to 6pm)	Up to	30 minutes	0.50	0.70
		1 hour	2.00	2.50
		2 hours	3.50	3.90
		3 hours	4.70	5.20
		4 hours	6.20	6.80
		5 hours	9.00	8.80
		6 hours	10.00	11.00
		7 hours	12.00	13.20

		8 hours	16.00	17.60
	Over	8 hours	19.00	20.00
Evening and Overnight: Monday to Sunday (6pm to 6am)	Up to	30 minutes	0.50	0.70
	Over	30 minutes	1.70	1.90

West End	Charging Period		Existing (£)	Proposed (£)
Monday to Sunday (5am to 5pm)	Up to	30 Minutes	0.50	0.70
		1 hour	1.50	2.00
		2 hours	2.50	2.80
		3 hours	4.00	4.40
Evening and Overnight: Monday to Sunday (5pm to 5am)			1.50	1.70

Waterhouse lane carpark	Charging Period		Existing (£)	Proposed (£)
Monday to Friday (6am to 6pm)			6.50	7.00

Season Tickets	Existing (per Annum)	Proposed (Per Annum)
Annual 7	£1,150	£1,265
Fairfield Road and Townfield Street	£2,000	£2,200
High Chelmer, Waterloo Lane carparks	£1,950	£2,200
Meadows Retail	£1,400	£1,265
West End	£1,450	£1,595
Evening Parking Permit	£250	£250
Carpark Release	£50	£50
Mark Traders	£4.00	£4.50

Hylands Car Parking Charges	2024/25	2025/26
Charging band	Existing charge	Proposed charge
Resident - up to 1 hr	£2.00	£2.20
Resident - per day	£3.00	£3.30
Non-resident - up to 1 hr	£3.35	£3.50
Non-resident - per day	£5.00	£5.50
Season Tickets		
Resident 5-Day	£54.00	£60.00
Resident 5-Day 2nd Vehicle	£16.20	£17.80

Resident 5-Day Additional Vehicle	£81.00	£90.00
Resident 7-Day	£72.00	£80.00
Resident 7-Day 2nd Vehicle	£21.60	£24.00
Resident 7-Day Additional Vehicle	£99.00	£110.00
Non-Resident 5-Day	£81.00	£90.00
Non-Resident 5-Day Additional Vehicle	£81.00	£90.00
Non-Resident 7-Day	£99.00	£110.00
Non-Resident 7-Day Additional Vehicle	£99.00	£110.00