
Revenue Budget 2025/26 Including Proposed Fees and Charges Schedule

Committee considering report:	Joint Public Protection Committee
Date of Committee:	11 October 2024
Chair of Committee:	Councillor Iskandar Jefferies
Date JMB agreed report:	23 September 2024
Report Author:	Sean Murphy
Forward Plan Ref:	JPPC4620

1. Purpose of the Report

- 1.1 To set out the Public Protection Partnership's (PPP) draft revenue budget for 2025/26 including discretionary fees and charges for 2025/26.
- 1.2 To seek approval of the draft budget and draft fees and charges schedule prior to submission to Bracknell Forest and West Berkshire Councils as part of their budget setting process in accordance with the Inter-Authority Agreement (IAA).
- 1.3 To agree the figure for the basis of the recharge to Wokingham Borough Council with respect to the services shared with Wokingham Borough Council under the shared service agreement effective on the 1st April 2022.
- 1.4 To seek approval of the amendments to the Asset Recovery Incentivisation Scheme.

2. Recommendations

The Committee:

- 2.1 **CONSIDERS** the draft revenue budget including the fees and charges set out in this report.
- 2.2 **RECOMMENDS** to partner Councils that the contributions set out in column three of the table at 5.27 form the basis of the 2025/26 net revenue budget contributions.
- 2.4 **RECOMMENDS** to partner Councils the fees and charges set out in Appendix A.
- 2.5 **APPROVES** the contribution request from Wokingham Borough Council to be as set out the table at paragraph 5.27.
- 2.6 **APPROVES** the revised Asset Recovery Incentivisation Scheme and notes that this funding does not form part of the revenue budget and that any recovered grant is allocated in accordance with this policy.

3. Implications and Impact Assessment

Implication	Commentary
Financial:	<p>The base budget requirement to fund the service is set out at 5.27 below.</p> <p>The fees and charges proposed are set out in Appendix A to this report. These are either statutory fees where any variance will have been set by law or discretionary fees. In respect of the discretionary fees these are based on the principle of full cost recovery agreed previously by this Committee.</p> <p>For the avoidance of doubt any grant funding received under the Proceeds of Crime Asset Recovery Incentivisation Scheme does not form part of the PPP revenue budget. This has previously been agreed by the Committee at the 14 March 2017 meeting.</p>
Human Resource:	<p>The base budget funding set out at 5.27 will be required to maintain the structure agreed at the October 2023 meeting where 6.7fte was removed from the structure in order to produce a balanced budget.</p>
Legal:	<p>The IAA (Inter-Authority Agreement) that set up the Partnership effectively delegates responsibility for the strategic direction of the PPP to the Joint Public Protection Committee. The responsibilities of the committee are set out in Schedule 1 to the agreement.</p> <p>The IAA with Wokingham requires that we indicate the level of contribution required from Wokingham early enough for it to feed into their budget setting cycle.</p> <p>Included is the responsibility to propose a fee structure and annual budget to the partner Councils and agree any variations to the budget.</p> <p>The Committee also has the responsibility to set out a proposal for the agreed percentage figures for each authority. The agreement requires that these should be submitted by 30th November in the year preceding the effective implementation date or other such date agreed by the Councils.</p> <p>It remains at all times the responsibility of the partner Councils to set their own budgets including fees and charges having received the recommendation of the Committee.</p> <p>There are statutory consultation requirements associated with the fees and charges for hackney carriage and private hire drivers, vehicles and operators. These are set out in Sections 53 and 70 of the Local Government (Miscellaneous Provisions) Act 1976. Any variations to these fees will be consulted on in</p>

	accordance with the legislation and will be discussed at the licensing committees of the partner organisations prior to recommendations being made to the Budget Council meetings of the two authorities.			
Risk Management:	<p>Any risks associated with the recommendations will be captured as part of regular Joint Management Board briefing process and will be escalated as per the IAA and Committee approved Business Plan.</p> <p>The service is currently carrying a number of red risks at Strategic and Operational levels. These primarily track back to staffing levels. The service is currently carrying 6FTE vacancies including the Strategic Manager for the Joint Case Management Unit and the Private Sector Housing Team Manager. Beyond this there are three more posts due to become vacant in the coming months including one senior Trading Standards Officer, one Environment Health Officer and one Enforcement Officer. On top of the 6.7FTE deleted posts this is a significant risk to service delivery.</p>			
Property:	There are no direct property implications arising from this report.			
Policy:	<p>The Committee has responsibility for setting the strategic direction and policy of the PPP. This includes the maintenance of financial oversight to ensure sound financial management. More specifically the Committee has responsibility for recommending to the Councils a budget that meets its needs along with a proposal for fees and charges.</p> <p>Updates on the financial position are presented to the Committee as part of the quarterly performance monitoring regime.</p>			
	Positive	Neutral	Negative	Commentary
Equalities Impact:				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		x		Where any decisions are made to change service provision individual impact assessments will be undertaken. There are currently no proposals to disinvest from any services already provided.
B Will the proposed		x		None

decision have an impact upon the lives of people with protected characteristics, including employees and service users?				
Environmental Impact:	X			The service plays a significant role in the protection of the environment including air quality, land contamination, planning considerations and enforcement of green energy claims. The proposals in this report if accepted will maintain capacity in this area.
Health Impact:	X			A significant number of the Partnership's Service Priorities relate to protecting and improving health. These included food safety and standards, health and safety, tackling fraud, air quality and private sector housing. If this activity continues to be funded there will be a continuing positive impact on the health of residents of and visitors to the partner authority areas.
ICT or Digital Services Impact:		X		None, albeit that the Service will continue to promote initiatives on its social media platforms and website.
PPP Priorities:				The report will impact on all the PPP Priorities: <ul style="list-style-type: none"> 1. Building Safer Communities 2. Improved Living Environment 3. Protecting Consumers from Fraud 4. Reducing Harm in Young People 5. Protecting and Informing Consumers 6. Protection of the Environment 7. Promoting Animal Welfare 8. Safety in the Workplace 9. Safe and Healthy Food Chain Business as Usual Activity is supported too.
Data Impact:		X		This decision about budget setting will not have a significant impact on the rights of data subjects

Consultation and Engagement:	<p>The fees for Taxis and Private Hire Vehicles and Private Hire operators will be subject to statutory consultation.</p> <p>The remainder of the fees and charges will be subjected to any budgetary consultation exercises undertaken by the partner authorities.</p>
Other Options Considered:	<p>The Councils are currently still considering their wider revenue budgets for 2025/26. Should either of the Councils seek to disinvest in this area of service there is a methodology agreed (by JPPC) for doing so.</p>

4. Executive Summary

- 4.1 The Inter-Authority Agreement (IAA) between the Councils sets out the functions that are delegated to the Joint Public Protection Committee (JPPC) under the terms of the agreement. To deliver these functions for the Councils the Committee is required to allocate a budget on an annual basis for which the service will be held accountable by the JPPC.
- 4.2 The process for doing so is that a budget is proposed by the Committee along with a proposed schedule of fees and charges, usually at the October meeting. As part of this proposal the total net revenue budget for the service is shared between the Councils in accordance with the agreed percentages. The budget proposals are required to be notified to the partner organisations by the 30th November each year.
- 4.3 At all times it remains the responsibility of the partner Councils to set their own budgets including fees and charges, having received the recommendation of the Committee. All partner Councils are facing unprecedented pressures on revenue budgets both in year and in future years. This report is being prepared in both the context of the in-year pressures and the fact that we are at an early stage in the 2025/26 budget setting cycle at a time of significant uncertainty and challenges.
- 4.4 This report sets out the allocations needed to maintain the current service / staffing levels along with mitigating identified pressures.
- 4.5 The revenue budget and fees and charges are then subjected to the budgetary consultation and agreement processes of the individual authorities. Additionally, the proposed fees and charges for hackney carriage and private hire vehicles and operators are subject to the consultation requirements in Sections 53 and 70 of the Local Government (Miscellaneous Provisions) Act 1976. Prior to statutory consultation the licensing fees and charges will be subject to consideration by the respective licensing committees prior to the commencement of the consultation. The Committees will then be asked to consider any responses early in the new year before recommending a final set of fees and charges to each Executive and Full Council.
- 4.6 In 2017 the Committee agreed the policy on the use of grants received under the Asset Recovery Incentivisation Scheme. These grants arise from post-conviction confiscation proceedings undertaken by the Service where serious offences have been committed. This policy has been updated and is set out in **Appendix B** of this report. It is important to note that any such grants **do not** form part of the service revenue

budget. It is to be noted that the policy specifically focuses on confiscation in the form of compensation for victims.

5. Supporting Information

Introduction

- 5.1 The funding arrangements for the service are set out in two Inter-Authority Agreements (IAA's). The agreement of the 6th January 2017 sets out the arrangements for the West Berkshire (WBDC) and Bracknell Forest (BFC) budget contributions and the fee setting processes. The IAA of the 1st July 2022 sets out the delivery arrangements for those services shared with Wokingham Borough Council.
- 5.2 Both agreements set out an array of statutory functions to be delivered jointly. In the case of Bracknell Forest and West Berkshire these include private sector housing, nuisance, environmental protection, licensing, trading standards, case management, financial investigations, intelligence, food safety and standards and health and safety. In the case of the Wokingham IAA the services covered include trading standards, case management, financial investigations, and air quality.
- 5.3 The two IAAs also identify the key priority areas for the delivery of the services. In the case of the BFC and WBDC agreement these are community protection; protection and improving health; protection of the environment; supporting prosperity and economic growth and partnership working. A separate report on this agenda sets out the updated priorities for the service as proposed by Members.
- 5.4 To discharge these functions, the partner councils are requested on an annual basis to allocate a budget to the Committee. That budget is proposed by the Committee along with a proposed schedule of fees and charges. In the case of BFC and WBDC the total net revenue budget for the service is then divided between the Councils in the agreed percentages. Those agreed percentages are based on workload split which is linked to a range of factors including population and number of businesses liable to regulatory activity.
- 5.5 The percentages for 2025/26 are as follows:
 - (a) Bracknell Forest 39.25%
 - (b) West Berkshire 60.75%
- 5.6 The IAA with Wokingham Borough Council is linked to their share of the costs of those services delivered on a shared basis across the three authorities as set out in 5.2 above.

Preparation of the 2025/26 Budget

- 5.7 The IAA sets the budget requirements of each authority based on the principle of 'agreed percentages'. The proposed percentage splits are set out in paragraph 5.5 above. The only variation from the percentages is licensing income where the losses are close to 50% of total loss in each authority.
- 5.8 The net revenue budget for 2025/26 required if all of the pressures were met is set out in column 6 of the table at 5.27. This includes the Wokingham contribution. In preparing its recommended budget the Committee is required to consider the following matters:

- The previous expenditure of the PPP and the service levels achieved,
- Any proposals for the development of the PPP and the services it offers,
- Any material changes to the activities of the PPP,
- Any other matters relevant from time to time,
- Development and impact of any efficiencies that could lead to reduced costs, and
- Consider any investment required to realise these efficiencies.

5.9 The net revenue budget for 2025/26 has been calculated taking into account:

- Salary cost of living rises expected in 2025/26 and any additional impacts of 2026/27.
- Staff incremental points effective at 1st April 2025;
- Any pension and NI adjustments arising from the cost-of-living and other salary increases.

5.10 Any changes in year due to recruitment, staff qualification and progression or maternity leave cover etc. will be managed within the budget allocated by the Councils. Any new grades allocated due to progression will be funded from reduced expenditure elsewhere.

5.11 There is one contract inflationary increase proposed and that relates to the collection of stray dogs where the contractors' costs have risen significantly including fuel, staff costs and distance to kennels. This increase equates to approximately £15k.

Budget Pressures and Mitigations

5.12 In building the 2024/25 budget a decision was made by the Committee to manage the budget deficit caused by the departure of Wokingham from the partnership by an establishment reduction of 6.7FTE. These posts have now been deleted.

5.13 This deficit which reached £291K in 2024/25 was in part exacerbated by the fact that there was a systemic income shortfall which had increased significantly as a result of Covid. In 2024/25 our income is still lower than 2019/20 in real terms despite inflationary rises in discretionary fee charges.

5.14 A major exercise has been undertaken to rebuild the budget around realistic income targets. This has seen some £180K of income targets removed from the budget. Of this around £140k related to licensing income. This in turn has been mitigated by reducing staffing by a further 0.5FTE in licensing and plans to bring in-house inspections under the animal establishment regulations as a licensing officer has recently successfully completed the training required.

5.15 There has also been an in-year budget pressure as a result of the proposed 2024/25 salary settlement. The 2024/25 budget was built based on a cost of living universal uplift of 3.5%. The subsequent 2024/25 proposal included a flat uniform increase of £1290 below scale ScP 44 and an increase of 2.5% for all other grades. Given the profile of staffing in the service i.e. most staff are below ScP44, this created an additional in-

year pressure of £39.25K. It is proposed that this be managed through vacancies in year but has been built into the base for 2025/26.

- 5.16 The service has managed this in year by holding open other vacancies and reducing spend on agency staff. Inevitably there has been some agency spend but this has primarily been in licensing and private sector housing and was funded by vacancies in those service areas. We have successfully recruited a number of casual staff who operate on a time sheet basis. These include three staff in partnership support and two in environmental health. This is significantly cheaper than use of agency staff. We have also picked up some of the backlogs in audit and inspection work through overtime and again this is cost effective compared to agency.
- 5.17 In addition to the general revenue there are a number of 'out of scope' budgets relating to grant funded functions. These include scams and victim support, public health and investigations. Sources of funding include the Department for Business, Energy and Industrial Strategy (BEIS) via National Trading Standards Board and Trading Standards South-East, public health and community safety funds including Police and Crime Commissioner funding. These equate to around £250K in 2024/25. Where staff are engaged on this work their time is charged to these budgets.

Fees and Charges

- 5.18 In December 2017 the JPPC determined that as a matter of principle that all discretionary fees and charges should be set on the basis of full cost recovery, and this would be reflected in the service 'hourly rate' which would be the basis of fee setting. The hourly rates set year on year were:
- 2018/19 - £55
 - 2019/20 - £57
 - 2020/21 - £57
 - 2021/22 - £59
 - 2022/23 - £64
 - 2023/24 - £67
- 5.19 For the financial year 2025/26 the proposed hourly rate is £69. This is based on an inflationary increase of 3% in the cost base which is entirely salary related.
- 5.20 In calculating this hourly rate, a range of factors have been considered including the wide variety of council support service costs, staffing and associated costs, democracy and governance, policy development, contracts, systems and the necessary training to maintain a competent workforce.
- 5.21 Over the last few years discretionary fees and charges have been reviewed and are now aligned across Bracknell and West Berkshire to reflect the fact that licensing procedures and systems are largely similar.
- 5.22 A new IT system has been procured and is largely implemented. All licensing records are now maintained on one cloud-based system meaning all relevant staff can access records regardless of base or which council provides network access. In due course the system is expected to deliver efficiencies and improved communication for service users with automated reminders and a one stop application process via an on-line portal. The implementation for licensing has been problematic particularly around data transfer but we are resolving matters. In 2022/23 some fees were reduced to reflect

this. For example, the time allocated for a taxi / private hire vehicle was reduced from five to four hours with the commensurate saving.

- 5.23 Taxi and private hire vehicles and private hire operator fees are subject to statutory consultations which will be conducted in both areas should any change be agreed by the Councils. The nature of those consultations will be agreed by the relevant licensing committee but will include the publication of public notices and direct consultation of drivers, owners and operators.
- 5.24 A fee-based remittance scheme in respect of hackney carriage and private hire vehicle licences for both electric and hybrid vehicles was introduced on the 01 April 2023 in West Berkshire. This scheme, which will initially remain in place for three years, is funded by the Council as part of the wider environmental agenda.
- 5.25 A decision was previously made to charge out the midterm inspections for Home Borders separately. In all other animal establishment fees e.g. kennels the midterm inspections is included in the grant fee. It is now proposed that we revert to the original position of including the midterm fee in the grant fee. The reason being is that a midterm inspection is legally required (and the fee inevitable) and this would reduce the administrative burden of separate invoicing.
- 5.26 The fees and charges set by Regulation / Statute in the schedule are highlighted in green and are as of 09 September 2024. These will be adjusted in year as any variations are made in legislation. It should be noted that in respect of the Licensing Act 2003 charges have not increased for over a decade which has also added to the growing gap between costs and income. They are now significantly behind inflation in the same period.

Proposals

- 5.27 The proposed revenue budget for 2025/26 is as follows:

Authority	% Split	Proposed Net Revenue Budget 2025/26
Bracknell Forest	39.25%	£1,361,360
West Berkshire	60.75%	£2,107,080
Wokingham	-	£526,310
Total Budget 2024/25	100%	£3,994,750

- 5.28 Although the staff and budgets are hosted by West Berkshire Council it is important to note that these inflationary pressures would have been experienced by the individual partner Councils had the services been hosted individually including pension deficit contributions.
- 5.29 At the Committee meeting on the 7th November 2019 the Committee approved a methodology for local service reduction should any partner authority wish to propose this. The methodology recognised the nature of the partnership and the need to maintain 'agreed percentages' and cover the costs of shared resource with respect to

core service delivery costs. Any disinvestment will be managed through this methodology.

- 5.30 The proposed fees and charges for 2025/26 are set out in Appendix A. The fees comprise both discretionary and statutory fees and charges. The discretionary fees are based on a cost recovery model with an hourly rate set at £69. The statutory fees are included for ease of reference and will be updated in line with any published amendments.
- 5.31 Statutory consultations for variations to taxi and private hire vehicles and private hire operator fees will be undertaken in accordance with Sections 53 and 70 of the Local Government (Miscellaneous Provisions) Act 1976.

Asset Recovery Incentivisation Scheme

- 5.32 The current iteration of the Asset Recovery Incentivisation Scheme has been updated to reflect relevant legislation and operating practices. Although any grant funding received under the Proceeds of Crime Asset Recovery Incentivisation Scheme **does not form part of the PPP revenue budget** it is a matter for the Committee to approve any allocations policy in line with the terms of the scheme.

6. Concluding Observations

- 6.1 It is a key responsibility for the Committee to recommend a revenue budget including a fees and charges structure. The Committee also has a responsibility to keep under review the budget and consider the outturn and any variance.
- 6.2 The Joint Management Board has considered the budget. Whilst it remains the view that the integrity of the PPP is best maintained by delivering any savings collectively as has happened in previous years the methodology is there to make local adjustments and local prioritisations of service.
- 6.3 It has been a consistent view of Joint Management Board and Committee that cost recovery forms the basis of all decisions relating to the setting of discretionary fees and any other charges or cost recovery levied or otherwise to deliver the service e.g. recovery of court costs, applications for grant funding etc.
- 6.4 The recommendations aim to meet the requirements of the IAA, the approved priorities plan and current indicated budget position of the partners.

7. Appendices

- 7.1 Appendix A – Proposed Fees and Charges 2025/26
- 7.2 Appendix B – Asset Recovery Incentivisation Scheme

8. Background Papers:

- 8.1 None
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Subject to Call-In:

Yes: No:

The item is due to be referred to Council for final approval

Delays in implementation could have serious financial implications for the Council

Delays in implementation could compromise the Council's position

Considered or reviewed by Overview and Scrutiny Management Committee or associated Task Groups within preceding six months

Item is Urgent Key Decision

Report is to note only

Wards affected: All Wards or State Specific Wards

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