

**Fees & Charges 2019/20**

<b>Final Decision-Maker</b>	Policy & Resources Committee
<b>Lead Head of Service/Lead Director</b>	Mark Green, Director of Finance & Business Improvement
<b>Lead Officer and Report Author</b>	Ellie Dunnet, Head of Finance
<b>Classification</b>	Public
<b>Wards affected</b>	All

**Executive Summary**

This report sets out the proposed fees and charges for 2018/19 for the services within the remit of this Committee, and summarises the overall changes for all Committees. Fees and charges determined by the council are reviewed annually, and this forms part of the budget setting process.

The Committee is invited to consider the appropriateness of the proposals for charges which are set at the Council's discretion.

Charges which are determined centrally have been included in Appendix 1 for information.

**This report makes the following recommendations to Policy & Resources Committee**

1. That the proposed discretionary fees and charges set out in Appendix 1 to this report are agreed.
2. That the centrally determined fees and charges set out in Appendix 1 to this report are noted.
3. That the overall change in fees and charges attached at Appendix 2 is noted.

**Timetable**

<b>Meeting</b>	<b>Date</b>
Strategic Planning, Sustainability & Transportation Committee	8 January 2019
Communities, Housing & Environment Committee	15 January 2019
Policy & Resources Committee	23 January 2019
Heritage, Culture & Leisure Committee	29 January 2019

# Fees & Charges 2019/20

## 1. INTRODUCTION AND BACKGROUND

1.1 The council is able to recover the costs of providing discretionary services through making a charge to service users. A charging policy is in place for charges which are set at the council's discretion and this seeks to ensure that:

- a) Fees and charges are reviewed regularly, and that this review covers existing charges as well services for which there is potential to charge in the future.
- b) Budget managers are equipped with guidance on the factors which should be considered when reviewing charges.
- c) Charges are fair, transparent and understandable, and a consistent and sensible approach is taken to setting the criteria for applying concessions or discounted charges.
- d) Decisions regarding fees and charges are based on relevant and accurate information regarding the service and the impact of any proposed changes to the charge is fully understood.

1.2 The policy covers fees and charges that are set at the discretion of the council and does not apply to services where the council is prohibited from charging, e.g. the collection of household waste. Charges currently determined by central government, e.g. planning application fees, are also outside the scope of the policy. However, consideration of any known changes to such fees and charges and any consequence to the medium term financial strategy are included in this report for information.

1.3 Managers are asked to consider the following factors when reviewing fees and charges:

- a) The council's strategic plan and values, and how charge supports these;
- b) The use of subsidies and concessions targeted at certain user groups or to facilitate access to a service;
- c) The actual or potential impact of competition in terms of price or quality;
- d) Trends in user demand including an estimate of the effect of price changes on customers;
- e) Customer survey results;
- f) Impact on users, both directly and on delivering the council's objectives;
- g) Financial constraints including inflationary pressure and service budgets;

- h) The implications of developments such as investment made in a service;
- i) The corporate impact on other service areas of council wide pressures to increase fees and charges;
- j) Alternative charging structures that could be more effective;
- k) Proposals for targeting promotions during the year and the evaluation of any that took place in previous periods.

### **Discretionary Charges**

- 1.4 Charges for services which fall within the remit of this committee have been reviewed by budget managers in line with the policy, as part of the development of the medium term financial strategy for 2019/20 onwards. The detailed results of the review carried out this year are set out in Appendix 1 and the approval of the committee is sought to the amended fees and charges for 2019/20 as set out in that appendix.
- 1.5 Table 1 below summarises the 2017/18 outturn and 2018/19 estimate for income from the discretionary fees and charges which fall within the remit of this committee. Please note that the table only reflects changes relating to fees and charges and does not include other budget proposals which may impact these service areas.

<b>Service Area</b>	<b>2017-18 Outturn</b>	<b>2018-19 Estimate</b>	<b>Proposed change in income</b>	<b>2019-20 Estimate</b>	<b>% Change</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
Business Terrace	95,237	150,160	3,003	153,163	2.00%
Jubilee Square	2,180	3,500	0	3,500	0.00%
Legal Services	134,170	173,320	3,466	176,786	2.00%
Town Hall	1,533	3,990	-2,490	1,500	-62.41%
Maidstone House (staff parking)	6,281	15,000	0	15,000	0.00%
<b>Total income from charges set by the Council</b>	<b>239,401</b>	<b>345,970</b>	<b>3,980</b>	<b>349,950</b>	<b>1.15%</b>

*Table 1: Discretionary Fees & Charges Summary (Policy & Resources)*

- 1.6 A number of proposed changes to these fees are detailed within Appendix 1 and summarised below:
- Charges for Jubilee Square have been increased in line with inflation and to enable recovery of costs incurred in delivering this service;
  - Inflationary increases have been applied to certain legal services charges, in line with limits imposed by the courts. The budget for these services will increase by 2% in line with inflation.

- The income budget for charges at the Town Hall has been reduced by £2,490 as it is anticipated that the current budget will not be achievable in 2019/20. The service have been able to offset the impact of this reduction against savings in their expenditure budget, so there is no overall impact of this change on the Council's budget.
- No changes have been proposed to staff parking charges. Although the income budget will not be achieved during 2018/19, this will be monitored closely over the forthcoming year.

### Externally Set Charges

1.7 Table 2 below summarises the income due from fees which are not set by the Council. In this area, these charges relate to the cost of recovering debts which are set by the courts.

Service Area	2017-18 Outturn £	2018-19 Estimate £	Proposed increase in income £	2019-20 Estimate £	% Change
Mid Kent Enforcement Service	765,494	876,000	104,300	980,300	11.91%
<b>Total income from charges set externally</b>	<b>765,494</b>	<b>876,000</b>	<b>104,300</b>	<b>980,300</b>	<b>11.91%</b>

Table 2: Statutory Fees & Charges Summary (Policy & Resources)

1.8 No changes are anticipated to the existing charges in this area. However, the service has expanded over the past year and the income budget reflects the increased volume of work. This operates as a shared service, the income is shown gross and the net profit is shared equally between partners.

### Overview

1.9 The updated Charging Policy states that this Committee will consider the overall impact of the proposed changes in fees and charges, and a summary of main changes in each area is therefore provided within Appendix 2. Overall, the anticipated impact of the proposals represents a 4.16% increase on the existing gross income budgets. This information excludes fees for licensing, which will be reported to the Licensing Committee for approval.

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## 2. AVAILABLE OPTIONS

### Option 1

2.1 The committee could approve the recommendations as set out in the report, adopting the fees and charges as proposed in Appendix 1. As these proposals have been developed in line with the council's policy on fees and

charges they will create a manageable impact on service delivery whilst maximising income levels.

Option 2

- 2.2 The committee could increase the charges proposed within Appendix 1. Any alternative increase may not be fully compliant with the policy, would require further consideration before implementation and may not deliver the necessary levels of income to ensure a balanced budget for 2019/20. The impact on demand for a service should also be taken into account when considering increases to charges beyond the proposed level.

Option 3

- 2.3 The committee could propose to decrease the charges proposed within Appendix 1. However, this would limit the Council's ability to recover the cost of delivering discretionary services, and could result in the Council being unable to set a balanced budget for 2019/20.

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### **3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 3.1 Option 1 as set out above is recommended as the proposed fees and charges shown within Appendix 1 have been developed by budget managers in line with the Council's Charging Policy. The proposed charges are considered appropriate and are expected to create a manageable impact on service delivery whilst maximising cost recovery.

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### **4. RISK**

- 4.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the Policy.

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### **5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 5.1 As part of this year's budget survey, residents were asked to rank the approaches to balancing the budget in order of preference. The results of the survey indicated that providing fewer discretionary services was the most preferred option, with a score of 2.25 out of 3. Increasing fees and charges scored the second highest, with 2.11 out of 3.

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### **6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 6.1 Fees and charges are being considered by service Committees throughout January. If agreed, the revised fees will come into effect from 1 April 2019, unless otherwise stated.
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## 7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	<ul style="list-style-type: none"> <li>The Council's policy on charging has been developed to support corporate priorities as set out in the strategic plan.</li> </ul>	Head of Finance
<b>Risk Management</b>	<ul style="list-style-type: none"> <li>Risk implications have been set out in section 4 of the report.</li> </ul>	Head of Finance
<b>Financial</b>	<ul style="list-style-type: none"> <li>Financial implications are set out in the body of the report. If agreed, this income will be incorporated into the Council's medium term financial strategy for 2019/20 onwards.</li> </ul>	Head of Finance
<b>Staffing</b>	<ul style="list-style-type: none"> <li>We will deliver the recommendations with our current staffing.</li> </ul>	Head of Finance
<b>Legal</b>	<ul style="list-style-type: none"> <li>A number of the fees and charges made for services by the Council are set so as to provide the service at cost. These services are set up as trading accounts to ensure that the cost of service is clearly related to the charge made. In other cases the fee is set by statute and the Council must charge the set fee. In both cases the proposals in this report meet the Council's obligations.</li> </ul>	Legal Team

	<ul style="list-style-type: none"> <li>Where a customer defaults the fee or charge for a service must be defensible, in order to recover it through legal action. Adherence to the policy on setting fees and charges provides some assurance that appropriate factors have been considered in setting these charges.</li> </ul>	
<b>Privacy and Data Protection</b>	<ul style="list-style-type: none"> <li>No specific impact identified.</li> </ul>	Legal Team
<b>Equalities</b>	The recommendations do not propose a change in service therefore will not require an equalities impact assessment	Equalities and Corporate Policy Officer
<b>Public Health</b>	<ul style="list-style-type: none"> <li>No specific impact identified.</li> </ul>	Head of Finance
<b>Crime and Disorder</b>	<ul style="list-style-type: none"> <li>No specific impact identified.</li> </ul>	Head of Finance
<b>Procurement</b>	<ul style="list-style-type: none"> <li>No specific impact identified.</li> </ul>	Head of Finance

## 8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix 1: Proposed fees & charges 2019/20 (Policy & Resources Committee)
- Appendix 2: Summary of fees & charges 2019-20 - all Committees

## 9. BACKGROUND PAPERS

Charging Policy: <http://aluminum:9080/documents/s58019/Appendix%201%20-%20Charging%20Policy%20November%202017.pdf>