

# Policy & Resources Committee 16 December 2020

## Fees & Charges 2021-22

<b>Final Decision-Maker</b>	Policy & Resources Committee
<b>Lead Head of Service</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 2021/22 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. Changes to fees and charges agreed by this committee will come into effect on 1 April 2021 unless otherwise stated in the report.

### Purpose of Report

The committee is requested to agree the proposed charges for 2021-22, for the areas in which these can be set at the council's discretion (discretionary fees and charges).

The committee is also invited to note the expected charges which are determined externally (e.g. by statute), which have been included in Appendix 1 for information (statutory fees and charges).

### This report makes the following recommendations to this Committee:

1. That the proposed discretionary fees and charges set out in Appendix 1 to this report are agreed.
2. That the expected statutory fees and charges set out in Appendix 1 to this report are noted.
3. That the overall change in fees and charges attached within Appendices 3-5 is noted.

### Timetable

<b>Meeting</b>	<b>Date</b>
Communities, Housing and Environment Committee	1 December 2020
Strategic Planning & Infrastructure	8 December 2020

Economic Regeneration & Leisure Committee	15 December 2020
Policy & Resources Committee	16 December 2021

# Fees & Charges 2021-22

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	<ul style="list-style-type: none"> <li>We do not expect the recommendations will by themselves materially affect achievement of corporate priorities. However, the Council's policy on charging has been developed to support corporate priorities as set out in the strategic plan and the proposals within the report have been made with reference to this.</li> </ul>	Ellie Dunnet, Head of Finance
<b>Cross Cutting Objectives</b>	<ul style="list-style-type: none"> <li>The report recommendations support the achievement of the cross cutting objectives by ensuring that costs of service delivery are recovered where possible, which enables services which support these objectives to be sustained.</li> </ul>	Ellie Dunnet, Head of Finance
<b>Risk Management</b>	<ul style="list-style-type: none"> <li>This is covered within section 5 of the report.</li> </ul>	Ellie Dunnet, 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 2020-21 onwards.</li> </ul>	Ellie Dunnet, Head of Finance
<b>Staffing</b>	<ul style="list-style-type: none"> <li>The recommendations do not have any staffing implications.</li> </ul>	Ellie Dunnet, Head of Finance
<b>Legal</b>	<p>Acting on the recommendations is within the Council's powers as set out within the Local Government Act 2003 and the Localism Act 2011.</p> <p>Section 93 of the Local Government Act 2003 permits best value authorities to charge for discretionary services provided the authority has the power to provide that service and the</p>	Head of Mid Kent Legal Partnership

	<p>recipient agrees to take it up on those terms. The authority has a duty to ensure that taking one financial year with another, income does not exceed the costs of providing the service. A number of fees and charges for Council services are set on a cost recovery basis only, with trading accounts used 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 statutory fee. In both cases the proposals in this report meet the Council's legal obligations.</p> <p>A remit of Policy and Resources Committee is to be responsible for co-ordinating financial management for the Council. The recommendations relating to fees and charges outlined in this report fall within the Committee's responsibility.</p>	
<b>Privacy and Data Protection</b>	<ul style="list-style-type: none"> <li>The recommendations do not have any privacy or data protection implications.</li> </ul>	Policy and Information Team
<b>Equalities</b>	<ul style="list-style-type: none"> <li>The recommendations do not propose a change in service therefore will not require an equalities impact assessment.</li> </ul>	Policy & Information Manager
<b>Public Health</b>	<ul style="list-style-type: none"> <li>The recommendations do not have any public health implications.</li> </ul>	Public Health Officer
<b>Crime and Disorder</b>	<ul style="list-style-type: none"> <li>The recommendations do not have any crime and disorder implications.</li> </ul>	Head of Finance
<b>Procurement</b>	<ul style="list-style-type: none"> <li>The recommendations do not have any procurement implications.</li> </ul>	Head of Finance

## 2. INTRODUCTION AND BACKGROUND

2.1 The council is able to recover the costs of providing certain services through making a charge to service users. For some services, this is a requirement and charges are set out in statute, and in other areas the council has discretion to determine whether charging is appropriate, and the level at which charges are set. All charges for services which fall within the remit of this committee are set at the council's discretion.

- 2.2 In recent years, the use of charging has become an increasingly important feature of the council's medium term financial strategy, as pressures on the revenue budget limit the extent to which subsidisation of discretionary services is feasible. Recovering the costs of these services from users where possible helps to ensure sustainability of the council's offer to residents and businesses, beyond the statutory minimum.
- 2.3 A charging policy (attached at Appendix 2 for reference) 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.
- 2.4 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.
- 2.5 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.

### **Proposed Fees & Charges for 2021-22**

- 2.6 It is important that charges are reviewed on a regular basis to ensure that they remain appropriate and keep pace with the costs associated with service delivery as they increase over time.
- 2.7 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 2021/22 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 discretionary fees and charges for 2021/22 as set out in that appendix.
- 2.8 Table 1 below summarises the 2019/20 outturn and 2020/21 estimate for income from the fees and charges which fall within the remit of this committee.
- 2.9 Although increases to the charges are proposed, this is not expected to give rise to any change in income due to reductions in demand for the services to which they relate. The budgeted income levels have been provided for context to assist with consideration of fees and charges but should be treated as indicative at this stage, as they may be subject to change as the medium term financial strategy develops.

### **Discretionary Charges**

<b>Service Area</b>	<b>2019-20 Outturn</b>	<b>2020-21 Estimate</b>	<b>Proposed change in income</b>	<b>2021-22 Estimate</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Legal Services	60,880	55,000	0	55,000
Town Hall	1,578	1,500	0	1,500
Maidstone House (staff parking)	6,367	4,910	0	4,910
<b>Total income from charges set by the Council</b>	<b>68,826</b>	<b>61,410</b>	<b>0</b>	<b>61,410</b>

*Table 1: Fees & Charges Summary (P&R)*

2.10 Detailed proposals are set out within Appendix 1 to this report, and considerations relating to these proposals have been summarised below.

2.11 Legal Services – The fees and charges for legal services are based on recovering the cost of the service. Consideration is also given to the maximum recoverable costs per hour for court work in this area, which are set by the Ministry of Justice. The most significant cost pressure for legal services is salaries which represent 90% of budget. These costs rose by 2% in April. It is important for effective administration of fee and charges and for the cost efficiency of the process that the hourly chargeable rate is the same across the authorities. The subject of fees and charges has been discussed and provisionally agreed with the other 2 authorities as £225 per hour for 2021/2022. The total number of chargeable hours are expected to decrease (mainly from planning related work from which third party payable fees are derived) in 2021/2022 so the total income is projected to remain at the budget level of £55,000.

2.12 Town Hall – No increases are proposed to the charges in this area for the next financial year. This will remain under review, however it is hoped that this will ensure that the offer of room hire and refreshments at the Town Hall remain competitively priced and an attractive option to potential customers.

2.13 Maidstone House (staff parking) – No changes are proposed to these charges at this stage. Demand for staff parking is expected to be lower than in previous years given the large proportion of staff who have been working from home since March.

### **Statutory Fees & Charges**

2.14 Table 2 below summarises the income due from fees which are set by the government. No changes are anticipated to these charges which are set centrally by government departments.

<b>Service Area</b>	<b>2019-20 Outturn</b>	<b>2020-21 Estimate</b>	<b>Proposed change in income</b>	<b>2021-22 Estimate</b>
	£	£	£	£
Mid Kent Enforcement Service	1,051,394	1,049,010	-155,310	893,700
<b>Total income from charges set externally</b>	<b>1,051,394</b>	<b>1,049,010</b>	<b>-155,310</b>	<b>893,700</b>

2.15 A reduction in income from compliance and enforcement fees is anticipated due to the impact that the Covid 19 pandemic has had on the operation of this service. This operates as a shared service, the income is gross and the net profit is shared equally between the authorities.

## Strategic Overview

2.16 The Council's policy on charging states that this committee will consider the overall impact of all fees and charges on the council's residents and businesses. A summary of these changes is provided below, with the detail set out within Appendices 3-5. Overall, the anticipated impact of the proposals represents a 8.7% decrease on the existing gross income budgets. This information excludes fees for licensing, which will be reported to the Licensing Committee for approval, and bereavement services which remain under review following consideration by the Communities, Housing and Environment Committee.

Service Area	2019-20 Outturn £	2020-21 Estimate £	Proposed change in income £	2021-22 Estimate £
Parks and Open Spaces	6,471	17,510	0	17,510
Parks and Open Spaces-Leisure	20,677	42,530	0	42,530
Environmental Health	5,250	4,020	380	4,400
Waste Crime & Community Protection	-2,423	3,900	0	3,900
Recycling & Refuse Collection	1,212,761	1,250,380	149,000	1,399,380
HMO Licensing	22,663	20,380	19,940	40,320
Gypsy & Traveller Sites	60,191	70,340	19,780	90,120
<b>Total income from fees set by the Council</b>	<b>1,325,589</b>	<b>1,409,060</b>	<b>189,100</b>	<b>1,598,160</b>

Table 3: Discretionary Fees & Charges Summary (CHE)

Service Area	2019-20 Outturn £	2020-21 Estimate £	Proposed change in income £	2021-22 Estimate £
Business Terrace	68,523	84,980	-8,498	76,482
Business Terrace Expansion	183,467	184,590	-18,459	166,131
Economic Development (Jubilee Square)	4,593	3,500	0	3,500
Market	113,373	143,840	0	143,840
Museum	58,676	64,600	-1,600	63,000
<b>Total income from fees set by the Council</b>	<b>428,632</b>	<b>481,510</b>	<b>-28,557</b>	<b>452,953</b>

Table 4: Discretionary Fees & Charges Summary (ERL)



Service Area	2019-20 Outturn	2020-2021 Budget	Proposed change in income	2021-2022 Estimate
	£	£	£	£
<b>Parking Services</b>	3,716,592	3,908,240	-724,228	3,184,012
<b>Sandling Road Car Park</b>	202,311	151,000	0	151,000
<b>Land Charges</b>	305,642	319,550	-31,955	287,595
<b>Street Naming &amp; Numbering</b>	82,711	81,500	-8,150	73,350
<b>Building Control</b>	358,832	391,850	-35,267	356,584
<b>Development and Conservation Control</b>	1,499,974	1,610,440	-94,218	1,516,222
<b>Grand Total</b>	<b>6,166,061</b>	<b>6,462,580</b>	<b>-893,818</b>	<b>5,568,763</b>

Table 5: Discretionary Fees & Charges Summary (SPI)

2.17 It should be noted that at the time of writing this report, the detailed proposals have not yet been subject to consideration by the Strategic Planning and Infrastructure Committee or the Economic Regeneration and Leisure Committee.

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### 3. AVAILABLE OPTIONS

#### 3.1 Option 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.

#### 3.2 Option 2

The committee could propose alternative charges to those set out within Appendix 1. Any alternative increases 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 2021-22. The impact on demand for a service should also be taken into account when considering increases to charges beyond the proposed level.

#### 3.3 Option 3

The committee could choose to do nothing and retain charges at their current levels. However, this might 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 2021-22.

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

- 4.1 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. Changes to fees and charges agreed by this committee will come into effect on 1 April 2021 unless otherwise stated.
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#### **5. RISK**

- 5.1 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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#### **6. REPORT APPENDICES**

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

- Appendix 1: Current and Proposed Fees & Charges – P&R Committee
  - Appendix 2: Charging Policy
  - Appendix 3: Current and Proposed Fees & Charges – CHE Committee
  - Appendix 4: Current and Proposed Fees & Charges – ERL Committee
  - Appendix 5: Current and Proposed Fees & Charges – SPI Committee
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#### **7. BACKGROUND PAPERS**

None