

**Fees & Charges 2021-22**

<b>Final Decision-Maker</b>	Communities, Housing & Environment 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. 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.

**Timetable**

<b>Meeting</b>	<b>Date</b>
Communities, Housing and Environment Committee	1 December 2020
Policy & Resources Committee	20 January 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>	<ul style="list-style-type: none"> <li>Acting on the recommendations is within the Council's powers as set out within the Local Government Act 2003 and the Localism Act 2011.</li> </ul> <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 recipient agrees to take it up on those terms.</p>	Principal Solicitor (Corporate Governance)

	<p>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. Where a customer defaults on the fee or charge for a service, the fee or charge must be defensible, in order to recover it through legal action. Adherence to the MBC Charging Policy on setting fees and charges provides some assurance that appropriate factors have been considered in setting such fees and charges.</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 public health implications.</li> </ul>	[Head of Service or Manager]
<b>Procurement</b>	<ul style="list-style-type: none"> <li>The recommendations do not have any procurement implications.</li> </ul>	[Head of Service & Section 151 Officer]

## 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.

- 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.

### **Discretionary 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 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 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.
- 2.9 The overall increase in income if these changes are agreed and implemented as planned is expected to be £206,930 which amounts to a 7.26% increase in the overall budgeted income figure for this committee for the current financial year. This information excludes fees for licensing, which will be reported to the Licensing Committee for approval.

### **Discretionary Fees and Charges**

<b>Service Area</b>	<b>2019-20 Actual £</b>	<b>2020-21 Estimate £</b>	<b>Proposed increase in income £</b>	<b>2021-22 Estimate £</b>
Parks and Open Spaces	6,471	17,510	0	17,510
Parks and Open Spaces-Leisure	20,677	42,530	0	42,530
Cemetery and Crematorium	1,468,079	1,455,740	17,830	1,473,570
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>2,793,668</b>	<b>2,864,800</b>	<b>206,930</b>	<b>3,071,730</b>

*Table 1: Discretionary Fees & Charges Summary (CHE)*

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

Parks and Open Spaces – Charges for sporting activities were restructured during 2020 in order to facilitate fair access for participants of all ages. This income stream had been steadily increasing from a very low base prior to the Covid 19 pandemic. Although income generation was adversely affected by lockdown at the start of this financial year, in recent months, a marked increase in take up for football and rugby pitch bookings has been observed. It is proposed that prices are retained at the current level for 2021-22. Keeping the charges at this level will assist the service in continuing to rebuild this income stream and will support residents of all ages to participate in sporting activities.

Parks & Open Spaces – Leisure Activities – No changes are proposed to the existing charges in this area. For commercial opportunities, pressures on the events industry in the current climate mean that increasing charges is not considered to be a sustainable option at this point in time.

Cemetery and Crematorium – A number of changes are proposed to the charges in this area. These proposals have been made with reference to current demand for products and services and are considered to be in line with charges made by local competitors. Charges for graves to non-residents have been increased to in order to limit demand from outside the area and conserve availability for local residents. Other price increases at the cemetery are considered to bring charges to an approximate mid-point when compared to similar charges elsewhere.

Environmental Health – Minor inflationary changes have been proposed to some of the charges for services in this area. It is recommended that income budgets for training courses for which take up has been historically low, or which are unlikely to run due to Covid 19 are removed. It is anticipated that income levels for this service will be sustained in spite of this.

Waste Crime and Community Protection – Moderate inflationary increases are proposed for pest control charges. However, it is not anticipated that this will give rise to an overall increase in income levels.

Recycling and Refuse Collection –

*Bulky collection* – A proposed increase of £1 per category is proposed for bulky collections. This is considered reasonable since charges in this area

have not been increased since 2018-19. The change is expected to generate additional income of £4,000 per year.

*Garden waste service* – It is proposed that charges for the garden bin collection service be increased to £45 from £40 for a 240l bin and to £40.50 from £36 for a 140l bin. This will bring charges into line with the average for Kent. See details below of charges levied by other districts.

Borough	Annual Cost (240 litre)	Comments
Ashford	£37	Due to increase to £40 in 2021/22
Canterbury	£45	Only 10 months per year
Dartford	£42.50	Plus £44.50 one off payment in first year to cover cost of bin
Dover	£46	
Folkestone & Hythe	£48	
Gravesham	£48	
Maidstone	£40	
Sevenoaks	£47	
Swale	£37	Expected to increase in 2021/22
Thanet	£52	
Tonbridge & Malling	£40	
Tunbridge Wells	£52	

It also reflects the strategy endorsed by Policy and Resources committee at its meeting on 21 July 2020, to consider income generation opportunities in seeking to close the budget gap. It is preferable to close the budget gap in this way, rather than to cut services. It is estimated that this change will generate additional income of £145,000 per year.

*Trade waste* - It is proposed that charges for trade waste are maintained at their current level for 2021/22, given the significant impact which Covid 19 has had on business customers and the need for the service to remain competitive.

The combined impact of the proposed budget changes in this area is expected to increase the council's annual income by £149,000.

HMO Licensing – Increases have been proposed to initial and renewal licence fees for landlord accreditation. It is estimated that the increased fees, if agreed will generate additional income of £19,940 during 2021-22. This estimate is based on 63 HMO renewals during 2021-22.

Gypsy and Traveller Sites – Increases to the weekly plot fees for Gypsy and traveller sites at Marden and Ulcombe have been proposed with reference to RPI inflation of 1.6% (12 months to July 2020). The proposed increases are in line with the Mobile Homes Act 1983 formula and are expected to generate additional income of £19,780 if agreed.

## **Statutory Fees and Charges**

2.11 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.

Service Area	2019-20 Actual £	2020-21 Estimate £	Proposed increase in income £	2021-22 Estimate £
Waste Crime & Community Protection	38,528	43,700	0	43,700
Environmental Health	16,324	14,000	0	14,000
<b>Statutory fees &amp; charges (included for information)</b>	<b>54,852</b>	<b>57,700</b>	<b>0</b>	<b>57,700</b>

*Table 2: Statutory Fees & Charges Summary (CHE)*

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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 – CHE Committee
  - Appendix 2: Charging Policy
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## **7. BACKGROUND PAPERS**

None