

Fees & Charges 2021-22

Final Decision-Maker	Communities, Housing & Environment Committee
Lead Head of Service	Mark Green, Director of Finance & Business Improvement
Lead Officer and Report Author	Ellie Dunnet, Head of Finance
Classification	Public
Wards affected	All

Executive Summary

This report provides an updated set of fees and charges proposals for 2021/22, following a request made by members at the committee's December meeting. The updated report contains revisions to the charges proposed for bereavement services as requested at this meeting.

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	
<i>Meeting</i>	<i>Date</i>
Communities, Housing and Environment Committee	1 December 2020
Policy & Resources Committee	16 December 2020
Communities, Housing and Environment Committee	5 January 2021

Fees & Charges 2021-22

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<ul style="list-style-type: none"> 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. 	Ellie Dunnet, Head of Finance
Cross Cutting Objectives	<ul style="list-style-type: none"> 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. 	Ellie Dunnet, Head of Finance
Risk Management	<ul style="list-style-type: none"> This is covered within section 5 of the report. 	Ellie Dunnet, Head of Finance
Financial	<ul style="list-style-type: none"> 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. 	Ellie Dunnet, Head of Finance
Staffing	<ul style="list-style-type: none"> The recommendations do not have any staffing implications. 	Ellie Dunnet, Head of Finance
Legal	<ul style="list-style-type: none"> 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>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>	
Privacy and Data Protection	<ul style="list-style-type: none"> The recommendations do not have any privacy or data protection implications. 	Policy and Information Team
Equalities	<ul style="list-style-type: none"> The recommendations do not propose a change in service therefore will not require an equalities impact assessment. 	Policy & Information Manager
Public Health	<ul style="list-style-type: none"> The recommendations do not have any public health implications. 	Public Health Officer
Crime and Disorder	<ul style="list-style-type: none"> The recommendations do not have any crime and disorder implications. 	Head of Finance
Procurement	<ul style="list-style-type: none"> The recommendations do not have any procurement implications. 	Ellie Dunnet, Head of Finance

2. INTRODUCTION AND BACKGROUND

2.1 At its meeting on 1 December 2020, the committee requested that the fees and charges proposed for the next financial year for the services within its remit be reconsidered in light of concerns raised regarding increases for charges relating to bereavement services. This report incorporates the outcome of this exercise, with revised proposals attached within Appendix 1 to this report. The original proposals for bereavement services have also been included within Appendix 3 for comparison purposes.

- 2.2 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.
- 2.3 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.
- 2.4 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.
- 2.5 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.
- 2.6 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

- 2.7 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.
- 2.8 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.
- 2.9 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.
- 2.10 The overall increase in income if these changes are agreed and implemented as planned is expected to be £189,100 which amounts to a 6.64% 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

Service Area	2019-20 Actual £	2020-21 Estimate £	Proposed increase 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
Cemetery and Crematorium	1,468,079	1,455,740	0	1,455,740
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
Total income from fees set by the Council	2,793,668	2,864,800	189,100	3,071,730

Table 1: Discretionary Fees & Charges Summary (CHE)

- 2.11 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 – The proposals in this area have been revisited in response to the request made by the committee at its December meeting.

This review was undertaken with the intention of ensuring that the cost of a basic funeral (cremation or burial) and entry in the book of remembrance would be frozen for residents of Maidstone borough for the next financial year. The impact of the updated proposals will mean that the inflationary costs of providing these services will be absorbed rather than passed on to customers. Alternative sources of funding may need to be sought for ongoing expenditure pressures in this area, including maintenance and

repair of the cremator and cold stores and a new media system for webcasting funerals.

Increased charges are proposed for graves for non-residents in order to limit demand from outside the area and conserve availability of this limited supply for local residents.

Proposed increases for memorials largely reflect increases from suppliers meaning that the marginal change in income from sales will be immaterial. The purchase of memorials is optional and has not been treated as part of the basic cost of a funeral. Officers regularly review the range of suppliers used in order to ensure that value for money is achieved on behalf of customers.

No increases are proposed to the income budgets in this area at this stage, as any additional income that the service is able to generate from the remaining proposed increases will be used to offset the increased running costs for the next financial year.

It should be noted that the charges in this area are regulated by the Institute of Cemetery and Crematorium Management and are also subject to external scrutiny by the British Institute of Funeral Directors and more recently, the Competition Markets Authority (CMA). The CMA has recently published its Funerals Market Investigation report, which is likely to give rise to greater scrutiny of crematorium operators, as well as funeral directors. The review of fees and charges has been made with reference to these stakeholders, and an understanding of the market within which this service is operating at a local level.

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

2.12 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
Statutory fees & charges (included for information)	54,852	57,700	0	57,700

Table 2: Statutory Fees & Charges Summary (CHE)

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.

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.

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.

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
- Appendix 3: Original Fees & Charges Proposals – Bereavement Services

7. BACKGROUND PAPERS

None