

**Fees and Charges 2022-23**

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|---------------------------------------|--|
| <b>Final Decision-Maker</b>           | Policy & Resources Committee                             |
| <b>Lead Head of Service</b>           | Mark Green, Director of Finance and 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 2022/23 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 2022 unless otherwise stated in the report.

**Purpose of Report**

Decision

**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 | 30 November 2021 |
| Strategic Planning & Infrastructure Committee  | 7 December 2021  |
| Economic Regeneration & Leisure Committee      | 14 December 2021 |
| Policy and Resources Committee                 | 19 January 2022  |

# Fees and Charges 2022-23

## 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 2022-23 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. The authority has a duty to ensure that taking one financial year with another, income does</p> | Robin Harris<br>Interim Team Leader<br>Contentious and Corporate Governance |

|  |   |   |
|--|---|---|
|  | <p>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> <ul style="list-style-type: none"> <li>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.</li> </ul> |   |
| <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>                      | The recommendations do not propose a change in service therefore will not require an equalities impact assessment.  | Equalities and Communities Officer      |
| <b>Public Health</b>                   | <ul style="list-style-type: none"> <li>The recommendations do not have any public health implications.</li> </ul>   | Ellie Dunnet, Head of Finance           |
| <b>Crime and Disorder</b>              | <ul style="list-style-type: none"> <li>The recommendations do not have any public health implications.</li> </ul>   | Ellie Dunnet, Head of Finance           |
| <b>Procurement</b>                     | <ul style="list-style-type: none"> <li>The recommendations do not have any procurement implications.</li> </ul>   | Ellie Dunnet, Head of Finance           |
| <b>Biodiversity and Climate Change</b> | <ul style="list-style-type: none"> <li>There are no direct implications on biodiversity and climate change.</li> </ul>  | Biodiversity and Climate Change Manager |

## **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 2022-23**

- 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 2022/23 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 2022/23 as set out in that appendix.
- 2.8 Table 1 below summarises the 2020/21 outturn and 2021/22 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 £2,200 which amounts to a 3.58% increase in the budgeted income figure for this committee for the current financial year.

| Service Area  | 2020-21<br>Outturn<br>£ | 2021-22<br>Budget<br>£ | 2021-22<br>Forecast<br>£ | Proposed<br>change<br>in<br>income<br>£ | 2022-23<br>Estimate<br>£ | %<br>Change  |
|---|-------------------------|------------------------|--------------------------|---|--------------------------|--------------|
| Legal Services  | 77,638                  | 55,000                 | 115,000                  | 2,200                                   | 57,200                   | 4.00%        |
| Town Hall   | 0                       | 1,500                  | 274                      | 0                                       | 1,500                    | 0.00%        |
| Maidstone House<br>(staff parking)                          | 0                       | 4,910                  | 0                        | 0                                       | 4,910                    | 0.00%        |
| <b>Total income from<br/>charges set by the<br/>Council</b> | <b>77,638</b>           | <b>61,410</b>          | <b>115,274</b>           | <b>2,200</b>                            | <b>63,610</b>            | <b>3.58%</b> |

Table 1: Discretionary 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 the biggest proportion of the expenditure budget. The hourly chargeable rate is the same across all three authorities in the partnership.

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.

### 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.

| Service Area  | 2020-21<br>Outturn<br>£ | 2021-22<br>Estimate<br>£ | 2021-22<br>Forecast<br>£ | Proposed<br>change<br>in<br>income<br>£ | 2022-23<br>Estimate<br>£ | %<br>Change   |
|---|-------------------------|--------------------------|--------------------------|---|--------------------------|---------------|
| Mid Kent Enforcement Service                            | 500,466                 | 751,200                  | 725,239                  | 145,800                                 | 897,000                  | 19.41%        |
| <b>Total income from<br/>charges set<br/>externally</b> | <b>500,466</b>          | <b>751,200</b>           | <b>725,239</b>           | <b>145,800</b>                          | <b>897,000</b>           | <b>19.41%</b> |

Table 2: Statutory Fees & Charges Summary (P&R)

2.15 An increase in income from compliance and enforcement fees is anticipated as activity increases. 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. Appendix 5 reflects some minor updates to the statutory fees for Land Charges compared to the version noted by SPI committee in December. Overall, the anticipated impact of the proposals represents a small increase (0.45%) on existing gross income budgets. This information excludes fees for licensing, which will be reported to the Licensing Committee for approval.

| Service Area                                     | 2020-21 Actual £ | 2021-22 Estimate £ | 2021-22 Forecast £ | Proposed change in income £ | 2022-23 Estimate £ |
|--|------------------|--------------------|--------------------|-----------------------------|--------------------|
| Parks and Open Spaces                            | 2,600            | 17,510             | 11,259             | 0                           | 17,510             |
| Parks and Open Spaces-Leisure                    | 0                | 20,530             | 168                | 0                           | 20,530             |
| Cemetery and Crematorium                         | 1,853,825        | 1,470,740          | 1,544,213          | 25,000                      | 1,495,740          |
| Environmental Health                             | 7,786            | 10,020             | 2,810              | 0                           | 10,020             |
| Waste Crime & Community Protection               | 2,754            | 3,900              | 19,241             | 0                           | 3,900              |
| Recycling & Refuse Collection                    | 1,306,541        | 1,410,530          | 1,446,657          | 0                           | 1,410,530          |
| HMO Licensing                                    | 11,516           | 20,380             | 25,663             | 0                           | 20,380             |
| Gypsy & Traveller Sites                          | 75,757           | 70,340             | 58,315             | 0                           | 70,340             |
| <b>Total income from fees set by the Council</b> | <b>3,260,780</b> | <b>3,023,950</b>   | <b>3,108,326</b>   | <b>25,000</b>               | <b>3,048,950</b>   |

Table 3: Discretionary Fees & Charges Summary (CHE)

| Service Area                                     | 2020-21 Outturn £ | 2021-22 Estimate £ | 2021-22 Forecast £ | Proposed change in income £ | 2022-23 Estimate £ |
|--|-------------------|--------------------|--------------------|-----------------------------|--------------------|
| Business Terrace                                 | 56,229            | 84,980             | 58,034             | 0                           | 84,980             |
| Business Terrace Expansion                       | 114,636           | 184,590            | 57,742             | 0                           | 184,590            |
| Economic Development (Jubilee Square)            | -4,553            | 3,500              | 175                | 0                           | 3,500              |
| Market   | 24,951            | 143,840            | 72,317             | 0                           | 143,840            |
| Museum   | 2,280             | 44,400             | 29,169             | 0                           | 44,400             |
| <b>Total income from fees set by the Council</b> | <b>193,554</b>    | <b>461,310</b>     | <b>217,347</b>     | <b>0</b>                    | <b>461,310</b>     |

Table 4: Discretionary Fees & Charges Summary (ERL)

| Service Area                                    | 2020-21<br>Outturn | 2021-22<br>Budget | 2021-22<br>Forecast | Proposed<br>change<br>in<br>income | 2022-23<br>Estimate |
|---|--------------------|-------------------|---------------------|------------------------------------|---------------------|
|   | £                  | £                 | £                   | £                                  | £                   |
| <b>Parking Services</b>                         | 2,134,692          | 3,160,060         | 3,058,856           | 0                                  | 3,160,060           |
| <b>Sandling Road Car Park</b>                   | 29,797             | 151,000           | 55,000              | 0                                  | 151,000             |
| <b>Land Charges</b>                             | 343,957            | 286,900           | 321,299             | 0                                  | 286,900             |
| <b>Street Naming &amp;<br/>Numbering</b>        | 38,145             | 73,350            | 60,000              | 0                                  | 73,350              |
| <b>Building Control</b>                         | 441,919            | 354,160           | 452,396             | 7,510                              | 361,670             |
| <b>Development and<br/>Conservation Control</b> | 1,319,146          | 1,452,260         | 1,514,146           | 5,150                              | 1,457,410           |
| <b>Grand Total</b>                              | <b>4,307,656</b>   | <b>5,477,730</b>  | <b>5,461,697</b>    | <b>12,660</b>                      | <b>5,490,390</b>    |

Table 5: Discretionary Fees & Charges Summary (SPI)

### 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 2022-23. 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 2022-23.

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

6.1 No consultation has been undertaken specifically relating to the proposals set out in the report. However, the Council has undertaken a survey of residents which will be used to inform wider decisions related to budget setting and spending priorities. The results of this survey were presented to this committee on 24 November 2021.

6.2 Following consideration by CHE committee on 30 November 2021, proposed increases to plot fees at Gypsy and Traveller sites of 3.79% were rejected and the committee agreed that these charges would remain at their current level for 2022/23. These changes are reflected within Appendix 3.

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

7.1 If agreed, the proposed changes to fees and charges, as set out within Appendix 1 will be implemented with effect from 1 April 2022.

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## **8. 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 – Policy & Resources 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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## **9. BACKGROUND PAPERS**

None