

Finance and Governance Cabinet Advisory Board

13 November 2018

Is the final decision on the recommendations in this report to be made at this meeting?

No

Fees and Charges Setting for 2019/20

Final Decision-Maker	Cabinet
Portfolio Holder(s)	Councillor David Reilly – Portfolio Holder for Finance and Governance
Lead Director	Lee Colyer – Director of Finance, Policy and Development
Head of Service	Jane Fineman – Head of Finance and Procurement
Lead Officer/Author	Jane Fineman – Head of Finance and Procurement
Classification	Non-exempt
Wards affected	All

This report makes the following recommendations to the final decision-maker:

1. That Cabinet agrees the fees and charges set out within this report and the attached appendices, except the charges for garden waste recycling which have already been approved by Cabinet on the 30th August 2018 (Minute CAB59/18).
2. That Cabinet agrees the timings for the price increases to be implemented as indicated in the report.

This report relates to the following Five Year Plan Key Objectives:

This report supports all of the Key Objectives. Securing revenue for the Council is vital to balancing the budget annually in order to support all of the services provided by the Council.

Timetable

Meeting	Date
Management Board	24 October 2018
Discussion with Portfolio Holder	TBA
Finance & Governance Cabinet Advisory Board	13 November 2018
Cabinet	22 November 2018

Fees and Charges Setting for 2019/20

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report details the proposed fees and charges for 2019/20 and seeks Cabinet approval for their implementation on 1st April 2019, except where otherwise indicated.
 - 1.2 This report excludes fees and charges for Property Rents, Central Government set Licencing fees, for example alcohol and gambling licences and taxi fees, which will all be presented in separate reports. Whilst it is not proposed to change the hourly off-street Parking fees this year, there will be a separate report to review season ticket prices ahead of the Council's movement to virtual permits.
 - 1.3 Heads of Service are responsible for the proposed fees and charges for their service areas and Finance have consolidated this report. Each service has considered both their fees and charges and expected sales volumes for 2019/20 in order to establish a total budget for their service. These budgets will be carried forward into the 2019/20 budgeting process.
 - 1.4 The Medium Term Financial Strategy (MTFS) assumes a 3% increase in income from the sale of the services and products detailed in this report. Through a combination of price and volume changes, this report is proposing to increase revenue by £1,067,755, £917,316 in excess of the £150,439 required by the MTFS. This can be used to offset part of the projected deficit.
 - 1.5 This should be seen in the context of the Retail Price Index of 3.5% and the Consumer Price Index of 2.7% for August 2018. It should also be noted that all concessions currently offered are retained.
-

2. INTRODUCTION AND BACKGROUND

- 2.1 This report has been created by Management Team and each service has reviewed its own pricing structure and assessed its sales volumes in the light of the present economic conditions. The fees and charges they propose and their forecast sales volumes for 2019/20 are attached in the Appendices for Cabinet approval.
 - 2.2 The proposed fees and charges and volumes, if approved, will form the income budgets for fees and charges revenue.
-

3. AVAILABLE OPTIONS

- 3.1 Leave prices the same as 2018/19. This does not meet the requirements of the Medium Term Financial Strategy and would cause a budget deficit for the Council.

3.2 Amend the prices up or down subjectively. Considerable efforts have been made to benchmark prices and to ensure that they support the objectives and priorities of the Council.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.1 Appendices A to P detail the fees and charges and the forecast sales volumes for each of the services.

Appendix	Fees and Charges	2018/19 Budget plus MTFS £	2019/20 Proposed Budget £	(Increase) / Decrease £	(Increase) / Decrease %
A	Legal Services	34,810	73,780	(38,970)	(112%)
B	NNDR & Council Tax	320,650	313,110	7,540	2%
C	Assembly Hall	261,723	145,000	116,723	45%
D	Camden Centre	94,500	99,230	(4,730)	(5%)
E	Crematorium & Cemetery	1,896,874	2,096,435	(199,561)	(11%)
F	Parks	182,390	191,830	(9,440)	(5%)
G	Environmental Licencing	22,200	48,690	(26,490)	(119%)
H	Waste & Recycling	80,460	722,620	(642,160)	(798%)
I	Farmers Market	17,460	15,360	2,100	12%
J	Street Naming	12,450	29,129	(16,679)	(134%)
K	Administration Charges	1,868	1,758	110	6%
L	Planning	1,651,310	1,791,300	(139,990)	(8%)
M	Offence Penalties	118,960	220,060	(101,100)	(85%)
N	TN2	11,000	11,330	(330)	(3%)
O	Wesley Centre	22,000	22,770	(770)	(4%)
P	Ice Rink	285,991	300,000	(14,009)	(5%)
	Medium Term Financial Strategy (MTFS 3% increase)	150,439		150,439	
	TOTAL	5,165,086	6,082,402	(917,316)	(17.76%)

4.2 The Medium Term Financial Strategy (MTFS) assumed income for 2019/20 to be the 2018/19 budget plus 3%, totalling £5,165,086. The forecast income budget for 2019/20 proposed in this report is £6,082,402, a surplus to the target of £917,316. However, this includes the new garden waste income of £626,392, which is in excess of the MTFS target. If this is excluded, the total is £5,439,230, a surplus to target of £290,924 (5.6%).

Mid Kent Services (Appendix A)

4.3 Appendix A lays out the Legal fees charged for various legal services. Legal services are delivered via the Mid Kent Services Partnership and Cabinet is not required to approve the charges applied. However, the income does come to

this council and partially offsets its Legal Services costs. It can be seen that they intend to increase their hourly rate by 0.93% in 2019/20. Clearly this is lower than inflation, but is in line with the maximum hourly court cost rate allowed by the HM Court and Tribunal Service. The rate permitted is £217.

Finance and Governance (Appendix B)

- 4.4 The charges for Council Tax and NNDR summonses and liability orders are periodically benchmarked with those charged around Kent. The proposed charges are comparable. It should be noted that the Council Tax fees have not been increased since 2016/17. The courts assess whether they consider the charges to be fair and are putting pressure on Councils to reduce the charges at present, so it is not proposed to make any further increase. It can be seen that the volumes have reduced a little. It is felt that the work that has been done to convert council tax payers to direct debit has resulted in fewer needing to be summonsed. These charges should take effect immediately.
- 4.5 There is a new charge of a £70 penalty where someone has deliberately withheld information or provided false information in order to obtain Council Tax discounts. This was approved by Cabinet on 1st March 2018 (CAB 149/17) and will now be applied.

Communities and Wellbeing (Appendices D, N and O)

- 4.6 It is proposed to increase all hire fees at the Camden Centre by 5%. Last year it was reported that the intention was to use the Lounge and Gallery to accommodate the Museum staff displaced whilst the Cultural and Learning Hub was being developed. Alternative accommodation has now been agreed in the Royal Victoria Place shopping centre, so these rooms can now continue to be hired. These charges will be applied with immediate effect for events booked to take place after 1st April 2019, however it will take a little time to build a customer base again for the two rooms.
- 4.7 The opening hours for TN2 have been reduced significantly but the hire prices have been increased marginally to support the MTFS target. These charges will be applied with immediate effect for events booked to take place after 1st April 2019.
- 4.8 The prices at the Wesley Centre have also been increased marginally to support the MTFS target.

Environmental and Street Scene (Appendices E, F, G, H and M)

- 4.9 The standard 45 minute cremation price is proposed to increase by slightly less than inflation at 2.2%. This is considered to be still reasonable in the market. There is a new Crematorium opening circa January 2019 in Horam with which the council could be competing for business. In order to keep budget cremation options within the rates anticipated, it is proposed to reduce the "direct to crematorium" (no chapel use) fee by 3.05%. The number of funerals conducted has continued to increase, reflecting the increasing death rates nationally, but clearly there is a risk to volumes should the death rate start to fall. It is proposed to almost double the price for the burial of cremated remains after 12 months. It is free to scatter remains in the garden (this is the council's preferred option) but there is a fee to bury the remains. The intention is to incentivise people to scatter the remains and to deter people from leaving their decision to bury until

after a year has passed as the administration is then more onerous. There is a 40% reduction proposed in the price of a wall niche in the cloister garden. Thus far there hasn't been a sale and the intention is to stimulate demand.

- 4.10 The charges for the parks facilities have been increased but as the prices are relatively low the rounded amounts create percentage increases that vary a little. Generally they have increased between 3% and 6%. The allotment prices must be set at least one year in advance and allotment holders given notice, so the prices for 2020/21 are included in this report for approval.
- 4.11 New legislation for animal welfare licensing pricing came into effect quite suddenly on 1st October 2018. The new pricing structure required is reflected in appendix G and the price changes need to take effect immediately. The Housing in Multiple Occupation and Residential Property Licensing Reform also took effect on 1st October 2018. The new fees were amended and approved by Cabinet in June 2018 to reflect the additional administration now required. These increased fees are now included in this report.
- 4.12 Bulky Waste charges have been increased by just over 9% to reflect the increases in the collection costs from the new contract. Wheelie bin and recycling box sales are entirely for new homes and are generally purchased by the property developer. The charges have been increased to support the MTF5 target and to reflect increased costs. The new charge for Garden Waste Collection is included in Appendix H to complete the budget but has already been agreed.
- 4.13 Offence penalty charges are mainly set in law through the Environmental Protection Act of 1990, but also through various other Acts of Parliament and our own local policies. Each offence has a charge range and authorities may select their charge providing it falls within the range set. Our charges are set at the top of the range as these are totally avoidable charges and are set to deter anti-social behaviour. There has been a change to the Environmental Protection Act 1990, effective from 1 April 2018, which sets the maximum fine for littering offences at £150. This has been adopted in Appendix M. Dog fouling fines have also been increased to £100 this year, which was approved by Full Council in April 2018 as part of the new Public Space Protection Orders.

Economic Development (Appendix I)

- 4.14 It is proposed that the Farmers Market pitch prices remain unchanged as they are very price sensitive, but that the volumes reduce further to reflect the actual usage from 2017/18. This level of income just about brings the Farmers Market to break even.

Digital Services & Transformation (Appendix J)

- 4.15 Government guidance indicates that Councils should be able to recover the costs incurred in carrying out their Street Naming and Numbering service and the prices charged still reasonably reflect this. It is therefore proposed to increase the charges for 2019/20 just to cover increases in inflation. The total budget has increased however, as more developments are thought to be reaching the street naming stage.

Policy and Performance (Appendix K)

- 4.16 The fees for the sale of print and data remain unchanged from last year. Subject Access Requests have been discontinued as the council is no longer permitted to charge for them.

Partnerships and Engagement (Appendices C and P)

- 4.17 It is proposed to increase the standard rate of hiring the Assembly Hall to £3,900 per day, which is a little over inflation due to the price not being changed last year and the ability of the market to accept the current fees with ease. All other set charges are commercially sensitive and need to be varied according to the show. It is recommended that the online booking fees are increased to £2.00 including VAT, as online booking and e-ticketing has had significant take up. This is an increase from 85p last year, which was purposely very low in order to promote behaviour change. In order to further discourage the purchase of paper tickets, it is proposed that other booking fees are increased with the flexibility to reach up to £5.00 (up from £1.75 last year), allowing the theatre commercial flexibility within a defined upper limit. It can be seen that the total income has reduced by £116,723. This is partially due to the reduced income from booking fees as customers have switched to electronic booking, but also reflects the actual income from last year which was lower. This is compensated by lower production costs and therefore doesn't affect the budget overall, but only the income figures are presented in this report. This is partly the result of a change in the portfolio of shows in the Assembly Hall, with larger shows carrying higher risks and diversification in order to attract different and new productions in order to grow audiences in preparation for the new theatre offering in Calverley Square.
- 4.18 It is proposed that dynamic pricing should be introduced for the Ice Rink which should range between £5 (Go Card) and £15.50 including VAT, for a full price adult (up from £14.50 including VAT last year). The ticket prices will be varied to attract skaters to poorer selling sessions and charge higher prices for premium sessions. This also gives the opportunity to make early booking discounts available. The objective is to ensure that everyone can afford to go skating in Tunbridge Wells providing they carefully select the time. This should also drive customers to book in advance on the website which will provide useful customer data (previously unavailable as most sales have been on the day at the Box Office), relieve congestion at the Box Office and enable better planning for skater numbers. The event continues to grow in popularity. Last year, the Ice Rink again covered its costs and is considered to be a Christmas treat that offers good value for money.

Planning Service (Appendix L)

- 4.19 Planning application fees are still set nationally and were last increased by 20% on 17 January 2018. As this increase had been anticipated the 2018/19 budget already incorporated the new income, hence the forecast income for 2019/20 remains the same. There are 5 new charges proposed. The first is a higher charge of £200 for the retrieval of archived information where an inspection has not taken place for 10 years. The increased charges are to cater for increased administration resources required in reactivating the Application as the information is stored on CD or Microfiche. The second is to create pricing differentiation between smaller and larger demolitions. It is proposed that a large demolitions fee of £200 be introduced. This is to recover

postage and administrative charges for notifying additional properties in the vicinity. The third is a new Planning Performance Agreement fee which is intended to recharge the costs associated with the Council supporting major/strategic developments through the planning cycle. It will include pre-application advice and an agreed date for determination (although it doesn't guarantee a positive outcome for the developer). These charges have been used by other councils since 2008 and research indicates that this service will be well received by larger developers. This fee will be in addition to the standard planning application fees, will be variable dependent upon the size of the development and is proposed to be offered immediately. The fourth is a charge for "pre-allocation" meetings. As the Local Plan progresses, site promoters/developers seek discussions on how sites will progress through the Local Plan. The fee is intended to cover the cost of these meetings, and is based on that for pre-application meetings. As the fees are the same as the pre-application meetings, the new volumes have been included with the pre-application meeting volumes in Appendix L. This fee would be introduced immediately. The fifth is a charge for developers to use a Strategic Flood Risk Assessment model for a particular part of the Borough that includes potential development scenarios. This model has been commissioned by the council to assist in developing the Local Plan. The use of the model by developers would be instead of commissioning their own models, and the charge would cover some of the cost of constructing the model.

4.20 Building Control Fees are set by the Council and are a combination of fixed and negotiated fees making the pricing structure quite complex. There is also a legal requirement to just cover costs but not make 'excessive profits' over time, which further complicates any change in prices. The market is also quite competitive, so it is important that flexibility to negotiate is retained. The budgeted income for 2019/20 Fee Related Applications remains the same as for 2018/19, but the volumes for some of the other services have been reduced to reflect the present actual position.

4.21 Land Charges fees are set by the Council and have remained unchanged since 2006. For the first time since then a small increase is proposed for 2019/20. As with Building Control fees, there is a statutory requirement to just recover costs, but costs have increased, and these fees are still in line with many other authorities in Kent. Government has indicated that they intend to provide the LLC1 searches themselves in the future, although the Council will still be responsible for providing the information contained within them. This means that the Government will take the income of around £73,000, but there will be no cost saving accruing to the Council. In 2017/18 it was anticipated that this would take place just after 1st April 2019, but since then there has been no further correspondence. Government will need to give us notice of implementation and to date they have only transferred 3 of the more than 380 councils, so all income is again included in this report for 2019/20 as it is very unlikely that the transfer will be completed next year. Just to note that the government also added VAT to CON 29 searches from the beginning of 2017.

Other Proposed Fees & Charges

4.22 Whilst it is not proposed to amend the off-street parking hourly charges this year, there is a new charge proposed for on-street parking bay suspensions. Suspensions are when an on-street bay (5 metres in length) is suspended for

the sole use of the customer. At present the council do not charge for suspensions, but the cost of administering each of them is upwards of £80 in administration and signage. In order to recover this cost, it is proposed to charge £80 for each request which will last up to 7 days and an additional £20 for each additional day. This will lay alongside the existing charge of £15 per day for dispensation permits which allow trades people to park in residents' zones to complete works. Some council's provide this suspension facility, some don't, but where they do, this level of charging is comparable. The Local Authorities (Transport Charges) Regulations 1998 gives the Council powers to charge the person making the suspension request.

New Revenue Streams being Considered but not Proposed

- 4.23 Whilst Management Team is considering a number of new income generation ideas, they are not sufficiently developed to be included in this report. As soon as the business cases are agreed they will be brought to Cabinet for approval. This is an ongoing objective of the Team.

Value Added Tax

- 4.24 The VAT status of each of the fees and charges is stated in the Appendices. All fees and charges that are subject to VAT are quoted net of VAT.

Net Cost of Service

- 4.25 This report has considered the level of fees and charges and the income projections for 2019/20. The direct costs associated with obtaining this income will be considered as part of the 2019/20 budget setting process. Informed decisions can then be taken as to whether income streams should cover their total costs or whether they should be subsidised to meet Council priorities.

Benchmarking

- 4.26 Services have endeavoured to obtain benchmarking data from neighbouring authorities and private sector operators where relevant to inform the proposed fees and charges.

Payment Collection Methods

- 4.27 The Council has been working hard to ensure that payment collection is carried out in the most efficient, cost effective manner. To this end, the council has invested in a new on-line Direct Debit system which can be used for Garden Waste payments, allotments and parking season tickets. This will replace the paper based manual process used at present. Whilst on-line Direct Debits are already available for Council Tax and Business Rates, this is part of the revenues and benefits system and cannot be used for other services. The council has also invested in a recurring card payment system which will allow customers to store their card details in their account and for payments to be deducted regularly from their cards. Research shows this to be of significant benefit to those people with variable incomes as if their payment fails, there is no charge, unlike when a direct debit fails which attracts a bank charge. Both systems will be available in the first quarter of 2019/20.
- 4.28 Other work to progress electronic and cost efficient payment collection and contact with the customer is as follows:

- The number of cheques cashed continues to fall as the council is slowly process engineering each service to ensure that customers pay by electronic means. In the year to September 2016 there were 12,344 cheques processed, to September 2017 there were 8,019 processed and by 2018 there have only been 6,055 processed (a further fall of 24%), saving the council £1.07 per cheque. The process by which Land Charges Applications can be made will be updated on the 1st April 2019 to remove the ability to pay by cheque, saving another 399 cheques and we are working with Funeral Directors to change their methods of payment, which will reduce the numbers of cheques processed by a further 50.
- Paperless billing is now in place for council tax and business rates with 13,619 households (13,212 last year) registered, representing 27.7% (27.08% last year) of customer accounts. 67% of businesses are now signed up for ebilling for their Business Rates accounts (down from 81% in 2017/18).
- Direct Debits are still being promoted with some success. The Financial Management System now has direct debits set up for 153 customers (168 last year) of the 320 allotment accounts (53%). It also has 362 direct debit accounts for parking season ticket holders compared with 366 last year. Customers have been very positive about the ability to enjoy the annual season ticket price but to spread the cost over the year.
- The Paypoint method of payment was withdrawn on 1st April 2018. All customers were successfully migrated to other methods of payment in the 18 months implementation period. This has resulted in the overall percentage of council tax payers paying by Direct Debit increasing from 74.82% in 2016/17 to 75.44% in 2018/19 and a cost saving of around £20,000.

- 4.29 The Council has ambitions to eventually remove cheques entirely from its processes. This will be challenging for Council Tax and Fines as legally we cannot remove this option to pay. The council can work with customers to explain the benefits of other methods of payment however and efforts will now commence to persuade Council Tax payers to pay by electronic means.
- 4.30 Reducing cash transactions at the kiosk in the Gateway will be another focus, as once Customers Services moves into the Cultural and Learning Hub, it would be preferable for them to concentrate on providing services rather than supporting people just to settle their bills.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 All prices and volumes have been proposed by the service areas which have benchmarked prices and researched new pricing options. Management Board have also reviewed these proposals and consider them appropriate.

RECOMMENDATION FROM CABINET ADVISORY BOARD

- 5.2 The Finance and Governance Advisory Board were consulted on this decision on 13 November 2018 and recommendations will be given verbally at the meeting.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 Finance will communicate decisions to the appropriate services and notification to the public will be made via the internet.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Legal including Human Rights Act	The specific legal authority to raise fees and charges are detailed within the appendices and notes for each service if applicable.	Legal fee earner
Finance and other resources	This report will inform the budget setting process for 2019/20. It is vitally important for the Council that income targets in the Medium Term Financial Strategy are achieved in order to preserve Council services.	Head of Finance and Procurement
Staffing establishment	Where income activity undergoes significant change, staffing resources associated with the activity will need to be reviewed. Any additional costs of changing staffing levels would have to be weighed against the changes in income.	Head of HR or deputy
Risk management and health & safety	There is always the risk that charges set by other bodies and authorities can be changed, sometime to the Councils advantage and sometimes to its detriment.	Head of Audit Partnership, Deputy Head of Audit Partnership or Audit Manager
Environment and sustainability	No implications	Sustainability Manager
Community safety	No implications	Community Safety Manager
Health and wellbeing	It could be argued that increasing the prices of using sports facilities could reduce accessibility, however unless funding continues the Council cannot provide those services at all. This would be more detrimental and the increases proposed are not considered excessive.	Healthy Lifestyles Co-ordinator

Equalities	No implications as there are no significant increases.	West Kent Equalities Officer
-------------------	--	------------------------------------

8. REPORT APPENDICES

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

- Appendix A Legal Fees
- Appendix B Business Rates and Council Tax Summons and Liability Orders
- Appendix C Assembly Hall Theatre
- Appendix D Camden Centre
- Appendix E Crematorium and Cemetery
- Appendix F Parks and Outdoor Sports
- Appendix G Environmental Licensing (excl. Taxis and Private Hire)
- Appendix H Waste & Recycling
- Appendix I Farmers Market
- Appendix J Street Naming and Numbering
- Appendix K Administration Charges
- Appendix L Land Charges, Planning Applications and Building Control
- Appendix M Offence Penalty Charges
- Appendix N TN2 Community Centre
- Appendix O Wesley Centre Paddock Wood
- Appendix P Ice Rink

9. BACKGROUND PAPERS

- The Local Authorities (England) (Charges for Property Searches) Regulations 2008
- Local Authority Property Search Services – Costing and Charging Guidance – Communities and Local Government
- Town and Country Planning (Fees for Applications and Deemed Applications) (Amendment) (England) Regulations 2008.
- Environmental Information Regulations 2004 (EIR)
- Environmental Protection Act of 1990
- The Housing in Multiple Occupation and Residential Property Licensing Reform