

Finance and Governance Cabinet Advisory Board

12 November 2019

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

No

Fees and Charges Setting for 2020/21

Final Decision-Maker	Cabinet
Portfolio Holder(s)	Councillor Tom Dawlings – Portfolio Holder for Finance and Governance
Lead Director	Lee Colyer – Director of Finance, Policy & Development
Head of Service	Jane Fineman – Head of Finance and Procurement
Lead Officer/Report 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, and delegates authority to the s151 Officer to make any necessary amendments.
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 (** please delete those not applicable*)

Meeting	Date
Management Board	21 October 2019
Discussion with Portfolio Holder	TBA
Finance & Governance Cabinet Advisory Board	12 November 2019
Cabinet	21 November 2019

Fees and Charges Setting for 2020/21

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. This report details the proposed fees and charges for 2020/21 and seeks Cabinet approval for their implementation on 1st April 2020, except where otherwise indicated.
 - 1.2. This report excludes fees and charges for Property Rents, Central Government set Licensing 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 or Parking season ticket prices this year, there is a change to the Pay by Phone discount proposed in Note 4.20.
 - 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 2020/21 in order to establish a total budget for their service. These budgets will be carried forward into the 2020/21 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 £416,981, £234,550 in excess of the £182,431 required by the MTFS. This can be used to support the balancing of the budget.
 - 1.5. This should be seen in the context of the Retail Price Index of 2.6% and the Consumer Price Index of 1.7% for August 2019. It should also be noted that all concessions currently offered are retained.
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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 2020/21 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.
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3. AVAILABLE OPTIONS

- 3.1. Leave prices the same as 2019/20. 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	2019/20 Budget plus MTFS £	2020/21 Proposed Budget £	Budgeted (Increase) / Decrease £	Budgeted (Increase) / Decrease %
A	Legal Services	73,780	75,140	(1,360)	(2%)
B	NNDR & Council Tax	313,110	280,550	32,560	10%
C	Assembly Hall	145,000	275,000	(130,000)	(90%)
D	Camden Centre	99,230	102,200	(2,970)	(3%)
E	Crematorium & Cemetery	2,096,435	2,059,886	36,549	2%
F	Parks	190,450	173,040	17,410	9%
G	Environmental Licensing	48,690	50,000	(1,310)	(3%)
H	Waste & Recycling	722,620	1,137,180	(414,560)	(57%)
I	Farmers Market	15,360	-	15,360	100%
J	Street Naming	29,129	29,510	(381)	(1%)
K	Administration Charges	1,758	2,250	(492)	(28%)
L	Planning	1,791,300	1,839,665	(48,365)	(3%)
M	Offence Penalties	220,060	129,000	91,060	41%
N	TN2	11,330	11,670	(340)	(3%)
O	Wesley Centre	22,770	23,910	(1,140)	(5%)
P	Ice Rink	300,000	309,000	(9,000)	(3%)
	Medium Term Financial Strategy (MTFS 3% increase)	182,431		182,431	
	TOTAL	6,263,453	6,498,003	(234,550)	(3.7%)

4.2. The Medium Term Financial Strategy (MTFS) assumed income for 2020/21 to be the 2019/20 budget plus 3%, totalling £6,263,453. The forecast income budget for 2020/21 proposed in this report is £6,498,003, a surplus to the target of £234,550 (3.7%).

Mid Kent Services (Appendix A)

4.3. Appendix A lays out the Legal fees charged for various legal services. They are based on a blended rate of all of the levels of expertise in the service and aim to recover actual costs. 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 as a minimum they intend to increase their hourly rate by 1.84% to £221, in 2020/21. This makes the Tunbridge Wells charge the same as Maidstone and Swale (the other Mid Kent Services partners). The revised amount will reflect the overall cost of undertaking work in this area including S106 matters and is comparable to the maximum hourly court cost guideline issued by the HM Court and Tribunal Service.

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, so it is not proposed to make any further increase. It can be seen that the volumes have reduced quite significantly. There are various reasons; instalments can now be paid over 12 months which makes payments more affordable, the number of customers who pay by Direct Debit has increased meaning that customers are keeping up to date with their payments and debt advice companies are encouraging customers to make arrangements sooner. Also in 2021 'Breathing space' will be introduced where there will be a requirement to hold action on accounts for 60 days. The forecast impact has been included in the budgeted volumes.

Communities and Wellbeing (Appendices D, N and O)

4.5. The hire fees at the Camden Centre will remain the same as last year.

4.6. The prices at the Wesley Centre have been increased marginally to support the MTFS target.

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

4.7. The pricing for cremations has been simplified to include the cost of the medical reference, the environmental surcharge and a cardboard casket. Every cremation must have these elements, so it is clearer to the customer what the total cost will be. If all of the 2019/20 prices for these elements were consolidated and compared to the proposed 2020/21 price, there is an overall increase of 4.6%. The cremation volumes have been reduced by around 10% to reflect the actual usage being experienced in 2019/20. There has been a national reduction in the death rate this year of around 10% and a new Crematorium has opened in Horam which could be affecting demand. There are a number of new services offered resulting from the introduction of a new media system which supports webcasts, videos and photo provision.

4.8. 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 usage of astro-turf has declined over the last year as other pitches have become available with competitive facilities. The allotment prices must be set at least one year in advance and allotment holders given notice, so the prices for 2021/22 are included in this report for approval.

- 4.9. There is a new charge for Animal Pre-application advice visits, which have previously been provided free of charge. Other boroughs have Tattoo Events and a charge has been included in preparation for the need arising here. A new Food Hygiene course has also been developed in conjunction with Tunbridge Wells Together to help food establishments to maintain a 5 star hygiene rating and it informs them about allergens as per Trading Standards requirements.
- 4.10. Wheelie bin and recycling box sales are entirely for new homes and are generally purchased by the property developer. The charges have been increased by inflation and rounded to support the MTF5 target. The charge for Garden Waste Collection will remain the same but the budgeted volume has increased significantly. This is to reflect the actual sales volumes in 2019/20.
- 4.11. 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. In October 2019 a new system for the administration of Fixed Penalty Notices (FPNs) was implemented. All FPNs were reviewed and 5 new FPNs have now been added to the Fees & Charges. They were omitted previously either because they are issued so infrequently or were overlooked when the Public Space Protection Orders were approved by Full Council in April 2018. There has been a significant reduction in the number of Littering Fixed Penalty Notices expected to be issued. The council previously used a contractor to issue these FPNs, but has now brought the service in house. It is a new service for the council to deliver and the policies of issue are now tightly controlled, hence the reduction in the forecast.

Economic Development (Appendix I)

- 4.12. The Farmers Market is now managed independently of the Council and has moved to The Market Square, Camden Road.

Digital Services & Transformation (Appendix J)

- 4.13. Government guidance indicates that Councils should be able to recover the costs incurred in carrying out their Street Naming and Numbering service. Each year prices are benchmarked against other authorities and the time taken to deliver the service reviewed to ensure the prices charged are still reasonable. Name changes for existing properties have been increased by 9% this year as charges have fallen behind the market and the time taken to rename a street is greater than setting a new one.

Policy and Performance (Appendix K)

- 4.14. The fees for the sale of print and data remain unchanged from last year.

Partnerships and Engagement (Appendices C and P)

- 4.15. It is proposed to increase the standard rate of hiring the Assembly Hall to £4,100 per day, which is a little over inflation, but considered to be a fair market rate. The specifically agreed rates for Royal Tunbridge Wells

Symphony Orchestra, Tunbridge Wells Operatic and Dramatic Society and the Royal Tunbridge Wells Choral Society will remain in place. It is proposed that the Booking Fee (renamed Theatre Fee) is now included within the advertised ticket price at £2.75 inclusive of VAT. This is irrespective of whether it is purchased online, at the Gateway or the Box Office. This is in line with Advertising Standards Authority guidelines and is considered to be more transparent for customers. All other set charges are commercially sensitive and need to be varied according to the show. It can be seen that the total income has increased by £130,000. This reflects the actual income from last year plus the effect of the increases in the hire fee.

- 4.16. It is proposed that dynamic pricing should be continued for the Ice Rink, which should range between £5 (Go Card) and £15.50 including VAT, for a full price adult (the same as 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 to 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)

- 4.17. Planning application fees are still set nationally and were last increased by 20% on 17 January 2018. The budget for planning fees has been increased by £68,000 in anticipation of growth due to the Local Plan. The £2,500 charge for use of the Councils Strategic Flood Risk Assessment Model has been removed to incentivise its use. The £40 charge for Planning history of a site from 1974 onwards has also been removed because the information is all online and customers can look this up for themselves.
- 4.18. 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 the flexibility to negotiate is retained. The budgeted income for 2019/20 Fee Related Applications has been increased by £25,000 to reflect the recovery of the additional post recruited to the team.
- 4.19. Land Charges fees are set by the Council and, as with Building Control fees, there is a statutory requirement to just recover costs. The proposed prices have been increased to reflect the actual increase in staff costs and the reduction in volumes of searches requested. If the volumes reduce, the cost must be spread over a smaller number of searches. They are still in line with many other authorities in Kent and are the same as Maidstone and Swale. In April 2020 there will be a new statutory requirement to provide access to personal searches online free of charge, but the council will be offering a service whereby the search can be carried out by an officer and a report emailed to the customer. This will be a new charge of £15. At present the

public do not have access to an online service and officers are required to provide the email service free of charge. 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 £72,000, but there will be no cost saving accruing to the Council. Government will need to give the council notice of implementation and this has not been received, so all income is included in this report for 2020/21, as it is very unlikely that the transfer will be completed next year.

Other Proposed Fees & Charges

4.20. Whilst it is not proposed to amend the off-street parking hourly charges this year, it is proposed to reduce the discount provided to Pay by Phone customers. Historically, customers paying for their parking by phone were charged a 20p administration fee per transaction, by the service provider. The council was also trying to incentivise customers to pay electronically and therefore introduced a discount for customers paying by phone in order to recompense for the administration fee and to encourage usage. The discount was generally 30p for 1 hour of parking and 40p for 2 hours or more. However, when the council renegotiated the pay by phone contract the 20p customer administration charge was removed. Customers are only charged if they request additional services such as reminder texts. At the point of re-tender the council did not reduce the discount to recognise the removal of the administration fee, but it now seems unfair to the customers paying by other means for the council to continue to subsidise a pay by phone administration charge that has been removed. It could be argued that the discount should be removed altogether to create pricing parity for all users, however at this point it is proposed that just the 20p administration discount is deducted from the overall discount from 1st January 2020.

4.21. In 2016, electric car charging points were installed in both Crescent Road and Great Hall Car Parks. The council took the decision to allow customers to use them free of charge. Usage has been relatively low and growth in usage has been minimal in Crescent Road, but a little more in Great Hall. It is proposed that the council starts to charge customers from 1st April 2020 for their electricity usage, but that the proceeds are ring fenced in order to provide charging points in other car parks around the town. This would provide funding to give access to chargers in other parts of the borough. Based upon the actual usage in 2018/19 this would raise £1,750 per annum.

New Revenue Streams being Considered but not Proposed

4.22. 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

4.23. 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

4.24. This report has considered the level of fees and charges and the income projections for 2020/21. The direct costs associated with obtaining this income will be considered as part of the 2020/21 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

4.25. 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

4.26. 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 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 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. Issues with integration with a customer single sign on to the system, have prevented online direct debits and recurring card payments from going live thus far, but it is being progressed and should be available shortly.

4.27. 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. Since September 2016 when we processed 12,344 cheques, we have reduced the number to just 4,614 in the year to September 2019, a further fall of 24% since last year. Each cheque processed costs the council around £1.07, so this is very positive. This saving has been made by removing the ability to pay for Land Charges Applications by cheque and we are working with Funeral Directors to change their methods of payment.
- Paperless billing is in place for council tax and business rates with 14,517 households (13,619 last year) registered, representing 29.2% (27.7% last year) of customer accounts. 65% of businesses are now signed up for ebilling for their Business Rates accounts (down from 67% in 2018/19).
- Direct Debits are still being promoted with some success. The Financial Management System now has direct debits set up for 201 customers (168 last year) of the 320 allotment accounts (63%). It also has 394 direct debit accounts for parking season ticket holders compared with 362 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. In addition, we now have 1,593 Direct Debt customers for Garden Waste and it is intended to increase this significantly over the next year.

- The overall percentage of council tax payers paying by Direct Debit continues to increase, rising from 75.44% in 2018/19 to 77.15% in 2019/20. Direct Debit is the cheapest method of payment so we are very grateful that the public are responding to our requests to pay in this way.
- Car park payment machines have been replaced in both Crescent Road and Meadow Road car parks. They are now able to take card payments rather than just coin. This has been very popular with the public as 40% (23% in 2017/18) of all transactions in car parks are now paid for by card and only 21% (44% in 2017/18) in cash. The remaining 39% (33% in 2017/18) is paid by phone, which has increased as the Coach Park car park is pay by phone only.

4.28. 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 have commenced to persuade Council Tax payers to pay by electronic means.

4.29. 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 12 November 2019 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 (name of officer and date)
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.	Keith Trowell
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.	Jane Fineman
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.	Nicky Carter
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.	Rich Clarke
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 this report 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