

Fees & Charges Setting for 2022/23

For Cabinet on 18 November 2021

Summary

Lead Member: Councillor Tom Dawlings, Portfolio Holder for Finance & Governance

Lead Director: Lee Colyer, Director of Finance, Policy & Development

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Classification: Public document (non-exempt)

Wards Affected: All

Approval Timetable	Date
Management Board	3 November 2021
Portfolio Holder	9 November 2021
Finance & Governance Cabinet Advisory Board	16 November 2021
Cabinet	18 November 2021

Recommendations

Officer / Committee recommendations as supported by the Portfolio Holder:

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 on 1 April 2022 or as otherwise indicated in the report.
3. That Cabinet agrees to continue to take electronic payments only in the car parks with card payment facilities.
4. That Cabinet agrees to remove the final 10p discount for using Pay by Phone.

1. Introduction and Background

- 1.1 This report details the proposed fees and charges for 2022/23 and seeks Cabinet approval for their implementation on 1 April 2022, 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 3.1.
- 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 2022/23 in order to establish a total budget for their service. These budgets will be carried forward into the 2022/23 budgeting process.
- 1.4 The Medium Term Financial Strategy (MTFS) usually assumes a 3% year on year increase in income from the sale of the services and products detailed in this report. However, on the 28 October 2021, Cabinet agreed a revised approach in the Budget Update 2022/23, whilst the economy and the council continue to recover from the Covid pandemic. The ambition was for the 2022/23 Fees & Charges to recover to their pre pandemic budget levels of 2020/21. It was recognised that this would still make balancing the budget for 2022/23 challenging, as inflation has increased the cost base, but it was hoped that income would be back to 2020/21 budget levels.
- 1.5 This report should be seen in the context of the Retail Price Index of 4.8% and the Consumer Price Index of 3.2% for August 2021.
- 1.6 It should be noted that concessions for all services that are currently offered are retained.
- 1.7 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 2022/23 are attached in the Appendices for Cabinet approval.
- 1.8 The proposed fees and charges and volumes, if approved, will form the income budgets for fees and charges revenue.
- 1.9 It should be noted that it has still been extremely difficult to budget for sales volumes for 2022/23 due to the Covid pandemic. There is considerable uncertainty about the state of the economy going forward and it must be accepted that there is risk attached to the achievement of these budgets.

2. Fees and Charges 2022/23

2.1 Appendices A to Q detail the fees and charges and the forecast sales volumes for each of the Services.

Appendix	Fees and Charges	2020/21 Budget	2021/22 Budget £	2022/23 Proposed Budget £	(Increase) / Decrease 20/21 v 22/23	(Increase) / Decrease 21/22 v 22/23 £	(Increase) / Decrease 20/21 v 22/23 %	(Increase) / Decrease 21/22 v 22/23 %
A	Legal Services	75,140	75,380	81,900	(6,760)	(6,520)	(9.0%)	(8.6%)
B	NNDR & Council Tax	280,550	280,550	417,810	(137,260)	(137,260)	(48.9%)	(48.9%)
C	Land Charges	293,465	279,648	287,035	6,430	(7,387)	0.0%	(2.6%)
D	Offence Penalties	129,000	92,135	62,280	66,720	29,855	51.7%	32.4%
E	Crematorium & Cemetery	2,059,886	2,048,935	1,773,352	286,534	275,583	13.9%	13.5%
F	Parks	173,040	162,470	169,440	3,600	(6,970)	2.1%	(4.3%)
G	Environmental Licencing	50,000	53,430	36,140	13,860	17,290	27.7%	32.4%
H	Refuse Collection	1,137,180	1,246,470	1,249,410	(112,230)	(2,940)	(9.9%)	(0.2%)
I	Planning	1,546,200	1,312,400	1,576,509	(30,309)	(264,109)	(2.0%)	(20.1%)
J	Street Naming	29,510	22,330	32,270	(2,760)	(9,940)	(9.4%)	(44.5%)
K	Administration Charges	2,250	2,250	2,250	0	0	0.0%	0.0%
L	Camden Centre	102,200	24,000	24,000	78,200	0	76.5%	0.0%
M	Wesley Centre	23,910	13,090	13,090	10,820	0	45.3%	0.0%
N	TN2	11,670	12,000	12,000	(330)	0	(2.8%)	0.0%
O	Assembly Hall	275,000	110,000	118,880	(8,880)	(8,880)	(8.1%)	(8.1%)
	Less Booking Fee	(165,000)						
P	Ice Rink	309,000	309,000	309,000	0	0	0.0%	0.0%
Q	Amelia	-	-	10,000	(10,000)	(10,000)	New	New
	TOTAL	6,333,001	6,044,088	6,175,366	157,635	(131,278)	2.5%	(2.2%)

2.2 The Medium Term Financial Strategy (MTFS) assumes fees and charges income for 2022/23 to have recovered to pre-covid levels. The comparable budget is that of 2020/21 (1 April 2020 to 31 March 2021), which was set in November 2019, just prior to the Covid outbreak. The total Fees and Charges budget was £6,333,001 after adjusting for the Assembly Hall Booking Fee, which is now budgeted in the ticket price. The Fees and Charges element of the budget is forecast in this report to be £6,175,366 for 2022/23, an increase on the budget for 2021/22 of £131,278, but still a decrease on pre-covid levels of £157,635 (2.5%). This will form part of an income deficit in the MTFS which will need to be funded from reserves for 2022/23.

Mid Kent Services (Appendices A – C)

2.3 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 4% to £234, in 2022/23. It is proving very difficult to recruit professionally qualified staff and market supplements are being offered to attract suitably qualified staff. This is the same charge as for Maidstone and Swale (the other Mid Kent Services partners). The revised amount will reflect the overall

cost of undertaking work in this area and is comparable to the maximum hourly court cost guideline issued by the HM Court and Tribunal Service.

- 2.4 Appendix B shows the charges for Council Tax and National Non Domestic Rates (Business Rates) summonses and liability orders. These are periodically benchmarked with those charged around Kent and the proposed charges are still 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 put pressure on Councils to reduce the charges, so it is not proposed to make any further increase. The volumes have been increased significantly for both Business Rates and Council Tax. The courts have been closed due to Covid-19 and they are only just opening again sporadically. There is a significant backlog of arrears that now need to be taken through the courts. It was anticipated that the courts would open sooner and some of the cases would be heard in 2021/22, but this now appears to be unlikely and instead, close to 2 years of cases will fall into 2022/23.
- 2.5 Land Charges fees (Appendix C) are still set by the Council at present and, as with Building Control fees, there is a statutory requirement to just recover costs, albeit over a rolling 3 year period to account for in year market changes. The prices remained unchanged in 2021/22, so it is now proposed to increase prices to reflect inflationary pressures. Demand has remained reasonably steady despite the Covid Pandemic and there is no indication that it is likely to decline in the next budget year. Government had indicated that they intended to provide the LLC1 searches service themselves in future, although the Council would still be responsible for providing the information contained within them. They have now given us notice that the transition will take place in 2023/24. This means that the Government will take our income of £71,400, but there will be no cost saving accruing to the Council. The Government are therefore requiring the local council tax payer to fund the cost of these land charges searches from 2023/24.

Environmental and Street Scene (Appendices D – H)

- 2.6 Offence Penalty Charges (Appendix D) 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 significant reduction in the number of Littering Fixed Penalty Notices expected to be issued due to the Covid pandemic. Fewer people are going shopping and the wearing of masks seems to be deterring people from smoking and dropping their cigarette ends. The stray dog charges separately identify the fine at £25, which is a statutory charge, from the non-statutory element for returning the dog to its owner or the kennels. There has been an increase in the charge to reflect increased costs to the council. In 2021/22, Covid-19 control measures issued by government included a number of Fixed Penalty Notices that district authorities could issue. They have now been repealed by Government and can no longer be issued.

- 2.7 It is proposed to increase the price of Cremations by just over 4%. This is to reflect the increases in gas prices and inflationary pressures on the cost of running the service. (Appendix E). The cremation volumes have been reduced as new competition in Horsham and Sevenoaks is having an impact. Work will be completed shortly to refresh the public areas of the Crematorium and review the offering. There has been a charge introduced of £350.00 for the cremation of children under 18. This charge will not be levied to the family, but claimed through the Government Children's Funeral Fund. However, unless there is a recognised charge in our Fees & Charges report, we are unable to claim for it. A number of products and services have been rationalised to simplify the offering, the price of webcasts has been reduced to better reflect the costs of providing the service, whilst conversely, a number of memorial prices have been increased to reflect the increased cost price to the council.
- 2.8 The charges for the parks facilities (Appendix F) 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 facilities has been assumed to remain the same as last year. The allotment prices must be set at least one year in advance and allotment holders given notice, so the prices for 2023/24 are included in this report for approval.
- 2.9 There is a new charge for food business advice and the charges for inspections of Houses in Multiple Occupation have been rationalised. Most charges have been increased to reflect inflation. There has been an overall reduction in the budget due to the number of Pet Shops/Animal Boarding/Dog Day Care/Dog Breeding/Riding establishments declining over the Covid period. (Appendix G).
- 2.10 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 to support the budget. The charge for Garden Waste Collection will remain the same, as will the budgeted volume, which reflects the actual sales volumes in 2020/21 (Appendix H). Although the service has been suspended for a period in 2021/22, due to the shortage of HGV drivers, it is anticipated that this will be resolved by the start of the new financial year.

Planning (Appendix I)

- 2.11 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 £231,000 from last year and is now slightly above pre covid levels (£35,000). This is due to some large planning applications that are coming through, despite the pandemic.
- 2.12 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 2022/23 Fee Related Applications has been increased by £45,000 compared to last year and again is now slightly above pre pandemic levels. This reflects the actual income at present, as the market seems to have recovered from the Covid pandemic.

Digital Services & Transformation (Appendix J)

- 2.13 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 is reviewed to ensure the prices charged are still reasonable. It is proposed to amend the prices just to account for inflationary pressures this year, but the volumes have been increased to reflect current actual levels.

Policy & Governance (Appendix K)

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

HR, Customer Services & Culture (Appendices L - Q)

- 2.15 The hire fees at the Camden Centre will remain the same as last year to support local businesses that use the facilities (Appendix L). The Lounge and Gallery have been leased to Little Pips Nursery, so have been removed from the Fees & Charges budget and included in property leases. The Camden Centre is fully re-opened after the Covid pandemic, but it is taking time for the usage to recover.
- 2.16 It is proposed that the prices at the Wesley Centre remain the same for 2022/23. The Fees & Charges report used to include the fees for the Food Bank, but they now have a lease, so this has been removed and added to the Property leases. Kent County Council previously rented space at the Wesley Centre for their Children's Centre, but have not reopened since the Covid lockdown. However, they are expected to return at some point in the next financial year (Appendix M).
- 2.17 The prices at the TN2 Community Centre will also remain the same as last year (Appendix N). The centre is back to working its normal hours and is opening evenings 3 days per week.
- 2.18 It is proposed that the standard rate of hiring the Assembly Hall increases by inflation to £4,230 per day. 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. The overall budget has been retained at pre-covid levels with a small increase for inflation. This assumes that the recovery will continue and 2022/23 will be more "normal" for the theatre. The Theatre Fee (was called the booking fee) is now included within the advertised ticket price at £2.75 inclusive of VAT. As it forms part of the contract with the producers it will no longer form part of the Fees & Charges in

the future. 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. (Appendix O).

- 2.19 It is proposed that dynamic pricing should be continued for the Ice Rink, which will range between £5 (Go Card) and £21.00 including VAT for 2022/23. The ticket prices are 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 and a discount of £2 including VAT is being offered for pre-booking in 2021. 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 offering of a family ticket has been removed in favour of a group pricing structure. The prices for curling have now also been added (Appendix P).
- 2.20 The Amelia is due to open in 2022/23 and the proposed prices for the hire of rooms in the venue are laid out in Appendix Q. It is very difficult to determine the demand at this stage, especially as culture has been significantly affected by the pandemic, however a budget has been set of £10,000 for hire income.

3. Other Fees & Charges Considerations

Other Proposed Fees & Charges

- 3.1 Whilst it is not proposed to amend the off-street parking hourly charges this year, it is proposed to remove the last 10p of discount offered 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 in 2019/20 the council did not reduce the discount to recognise the removal of the 20p administration fee, however in 2020/21 and 2021/22 the discount was reduced by 10p each year and Pay by Phone was monitored to see if it impacted usage. The latest statistics are reported in Note 3.7 below. As can be seen, it didn't and indeed most payments for parking are now made electronically. The need to incentivise the public to use Pay by Phone has passed, so it is proposed to remove the final flat 10p discount from the 1st January 2022. This then creates pricing parity for all users, however they pay.

Net Revenue Streams being considered but not Proposed

- 3.2 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

- 3.3 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

- 3.4 This report has considered the level of fees and charges and the income projections for 2022/23. The direct costs associated with obtaining this income will be considered as part of the 2022/23 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

- 3.5 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

- 3.6 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 approved budget to upgrade its online payment system, now has the ability to allow customers to set up their own direct debits online and will soon have the facility to create a recurring card payment (seen to be preferable to direct debit for some customers because there are no bank charges in the event of insufficient funds). Chip and pin machines are also being upgraded to be mobile, which will facilitate new flexible services in both the Assembly Hall Theatre and The Amelia.
- 3.7 Other work to progress electronic and cost efficient payment collection and contact with the customer is as follows:
- Last year Cabinet agreed that the Council should no longer take cheques, except in extremis, from 1 April 2021. In the first 6 months of 2021/22 we have taken just 16 cheques. In 2020/21, numbers had declined

significantly to 318 cheques due to the impact of Covid-19, reduced from well over 12,000 in 2016. This gave Cabinet the confidence to make the decision not to take cheques any longer, saving banking costs and enabling Finance staff to work from home, protecting a small and vital council team from the impact of Covid-19.

- Paperless billing is in place for council tax and business rates with 16,732 households (15,411 last year) registered, representing 32.91% (30.69% last year) of customer accounts. 72.89% of businesses are now signed up for ebilling for their Business Rates accounts (up from 72.39% in 2020/21).
- Direct Debits are still being promoted. The Financial Management System now has direct debits set up for 209 customers (225 last year) of the 336 allotment accounts (62%). Parking direct debit accounts for season ticket holders fell dramatically last year and now stand at 162 compared with 394 in 2019/20. The number of season ticket sales have just started to increase again as some people are now returning to work. In addition, we now have 2344 direct debit customers for Garden Waste (1,609 in 2020/21). We had intended to market Direct Debit strongly this year as it is a much cheaper way for us to transact than card payment, but this has been put on hold due to the issues with the Garden Waste collection service.
- The overall percentage of council tax payers paying by Direct Debit continues to increase, rising from 77.23% in 2020/21 to 77.84% in 2021/22. This is an extra 794 properties signed up over the year. 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.
- In 2020/21 Parking Cash Pay & Display payments accounted for 6% of transactions (2018/19 27%, 2019/20 19%), 48% were Pay by Phone (2018/19 36%, 2019/20 42%) and 46% (2018/19 37%, 2019/20 39%) Card Pay on Exit payments. It can be seen that there has been a significant move towards electronic payment over the Covid period, caused partially by the public preference to avoid coin and partially because of a council decision to take electronic payment only where possible. Car park payment machines have recently been replaced in Torrington car park and all but 5 machines in the borough are now able to take card payments rather than just coin. These will be upgraded by April 2022. In September 2021, cash payments have fallen to just 1%, Phone payments have increased to 53% and card payments are 46%. Phone payment transactions are free to the council, but the merchant fees associated with card payments have increased with the volumes. The move to electronic payments has been fortuitous, as the cash collection contractor for Kent has recently dissolved. The council no longer has any cash collection service and the cash from the 5 remaining machines is being collected and banked by our own staff. This will continue until the machines can be upgraded with card readers. The cost of the cash collection service has

been saved and there is reduced risk of theft along with the accompanying damage to the machines. It is proposed to continue to only take electronic forms of payment in the car parks. The public have adapted well to telephone and credit/debit card payment methods in our car parks during Covid. A return to accepting cash may increase the risk of Covid transmission and would increase operational costs associated with cash collection and processing.

- 3.8 Cash transactions at the kiosk in the Gateway have also reduced dramatically since 2019/20. Pre Covid, the kiosk received an average of £61,000 in cash each month. This has fallen to an average of £16,000 per month thus far in 2021/22. This change in customer behaviour will be helpful when Customers Services move into The Amelia, as they will be able to concentrate on providing services rather than supporting people trying to pay in cash.

4. Options Considered

- 2.1 Leave prices and volumes the same as 2021/22. This does not reflect the economic position post Covid 19 and will not allow the council to manage its finances appropriately.
- 2.2 Amend the prices up and down subjectively. Considerable efforts have been made to benchmark prices and to reflect the new market conditions.

5. Preferred Option and Reason

- 2.1 That the Fees and Charges, as set out in this report and appendices, are agreed.
- 2.2 Paragraphs to set out the details and reasons for the recommended Fees and Charges for 2022/23, detailed within the appendices.

6. Consultation on Options

- 2.1 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

- 2.2 The Finance & Governance Cabinet Advisory Board were consulted on 16 November 2021 and agreed the following:

7. Implementation

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

8. Appendices and Background Documents

Appendices:

- Appendix A: Legal Fees
- Appendix B: Business Rates and Council Tax Summons and Liability Orders
- Appendix C: Land Charges
- Appendix D: Offence Penalties
- 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: Planning
- Appendix J: Street Naming and Numbering
- Appendix K: Administration Charges
- Appendix L: Camden Centre
- Appendix M: Wesley Centre Paddock Wood
- Appendix N: TN2 Community Centre
- Appendix O: Assembly Hall Theatre
- Appendix P: Ice Rink
- Appendix Q: Amelia

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

9. Cross Cutting Issues

A. Legal (including the Human Rights Act)

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 not exceed the costs of providing the service.

A number of the fees and charges made for services by the Council are set so as to provide the service at cost. In other cases the fee is set by statute and the Council must charge the set fee. In both cases the proposals in this report meet the Council's obligations.

Claudette Valmond, Interim Head of Legal, MKLS 5/11/21

B. Finance and Other Resources

This report will inform the budget setting process for 2022/23. It is vitally important for the Council that income targets in the Medium Term Financial Strategy are achieved in order to preserve Council services. The Covid Pandemic has had significant adverse repercussions for the finances of the council and the Government financial support for Local Authorities has ceased. The council must now find new ways of raising income or reducing costs to, once again, balance its budget without recourse to reserves.

Jane Fineman, Head of Finance, Procurement & Parking 28/10/2021

C. Staffing

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 need to be weighed against the changes in income.

Jane Fineman, Head of Finance, Procurement & Parking 28/10/2021

D. Risk Management

There is considerable risk around the volumes projected in this report, due to the economic uncertainties relating to the Covid Pandemic and the impact of Brexit. Whilst each manager has very carefully reviewed the position of their area, circumstances are changing constantly and are mostly out of our control.

E. Environment and Sustainability

No implications

F. Community Safety

No implications

G. Equalities

No implications

H. Data Protection

No implications

I. Health and Safety

No implications

J. Health and Wellbeing

No implications