

Sales, Fees & Charges (including Car Parking) 2022/23

For Cabinet on 20 July 2022

Summary

Lead Member: Councillor Andrew Hickey, Portfolio Holder for Finance & Performance

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

Head of Service: Jane Fineman, Head of Finance, Procurement & Parking

Report Author: Jane Fineman, Head of Finance, Procurement & Parking

Classification: Public document (non-exempt)

Wards Affected: All

Approval Timetable	Date
Management Board	22 June 2022
Portfolio Holder	21 June 2022
Finance & Governance Cabinet Advisory Board	12 July 2022
Cabinet	20 July 2022

Recommendations

Officer / Committee recommendations as supported by the Portfolio Holder:

1. That Cabinet agrees the sales prices, 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 for the price increases to be implemented on 1 October 2022, unless stated otherwise in the report.
3. That Cabinet delegates to the Director of Finance, Policy and Development, the ability to implement increases to planning fees for major and minor applications as soon as the government permits.

4. That Cabinet delegates to the Director of Finance, Policy and Development, the ability to implement increases to the 1 hour and 2 hour parking charges in Torrington car park following legal advice on the price ceilings included in the lease.

1. Introduction and Background

- 1.1 This report details proposals for increases to selected sales prices, fees and charges and seeks Cabinet approval for their implementation on 1 October 2022 or as otherwise indicated in the report.
- 1.2 This report is in addition to the annual Fees and Charges Report to set the budget for 2023/24, which will be brought to Cabinet, as usual, in November 2022.
- 1.3 Heads of Service are responsible for the proposed sales prices, fees and charges for their service areas and Finance have consolidated this report. The expected sales volumes for 2022/23 have been updated where appropriate and are explained in the below notes. The proposals and the impact on the budget are summarised below and in the attached Appendices. Virements will be made to the 2022/23 budget to reflect these changes if approved by Cabinet.
- 1.4 The Medium Term Financial Strategy (MTFS) usually assumes a 3% year on year increase in income from the sale of council services and products. The Covid pandemic affected sales volumes significantly, but not wanting to reduce service levels, the council carried a £944,000 budget deficit into 2022/23, which was to be funded from reserves. Whilst the council's income continues to slowly recover from the pandemic, it is recognised that there are now new and significant threats to the council's budget from energy price increases, inflation and economic uncertainty. With the same ambition of trying to protect services, it is proposed that certain prices be increased earlier than would ordinarily be the case. The Council can no longer absorb this significant level of inflationary pressure on its operating costs. It must manage these new risks and bring the budget closer to balancing.
- 1.5 This report should be seen in the context of the Retail Price Index (RPI) of 11.7% and the Consumer Price Index (CPI) of 9.1% for May 2022. The Bank of England is now forecasting inflation to surpass 11% this year, so this is not expected to be a short term pressure.
- 1.6 It should be noted that concessions for all services that are currently offered are retained.
- 1.7 It should be noted that it was extremely difficult to budget for sales volumes for 2022/23 and there is considerable uncertainty about the state of the economy going forward. It must be accepted that there is risk attached to the achievement of these budgets.

2. Sales Prices, Fees and Charges 2022/23

- 2.1 Appendices A to G detail the proposals for the sales prices, fees and charges increases, including where appropriate, volume amendments. The below is a summary:

Appendix	Sales, Fees and Charges (Net of VAT)	2022/23 Original Annual Budget	2022/23 Proposed Annual Budget	Annual Original v Proposed Budget	Half Year Increase	(Increase) Original v Proposed Budget	2022/23 Proposed Revised Budget with 6 mths of price increase
		£	£	£	£	%	£
A	Crematorium	(1,514,730)	(1,562,380)	(47,650)	(23,825)	(3.1%)	(1,538,555)
B	Green Waste Collection	(1,144,000)	(1,287,048)	(143,048)	(71,524)	(12.5%)	(1,215,524)
C	Parking Hourly Rates	(3,659,700)	(4,068,320)	(408,620)	(204,310)	(11.2%)	(3,864,010)
D	Car Park Season Tickets	(579,730)	(600,680)	(20,950)	(10,475)	(3.6%)	(590,205)
E	New Dunorlan Car Parks	0	0	(73,000)	(36,500)	New	(36,500)
F	Residents Permits	(260,000)	(291,180)	(31,180)	(15,590)	(12.0%)	(275,590)
G	Visitors Vouchers	(40,000)	(43,850)	(3,850)	(1,925)	(9.6%)	(41,925)
	TOTAL	(7,198,160)	(7,853,458)	(728,298)	(364,149)		(7,562,309)

- 2.2 The budget for 2022/23 was approved at Full Council on the 24 February 2022. The Original Annual Budget figures above were included in this approval. The proposals in this report would generate an increase in annual income of £728,298. As it is proposed that the increases will mainly be implemented on the 1 October 2022, it is assumed that the in-year budget can be increased by £364,149, thereby reducing the draw from the reserves.

It should be noted that the budget increase (Annual Original v Proposed Budget) and percentages have been calculated on the current or 2021/22 volumes. As some of services are still recovering from the pandemic, the volumes are a little lower than would have been assumed for the full year 2022/23 budget and therefore the percentage of budget increase is not quite as high as the price increase percentage seen on the Appendix.

Crematorium (Appendix A)

- 2.3 World energy prices have increased sharply and the Council's energy costs have doubled. They are still rising and it is forecast that prices may have trebled by October 2022. The Council, along with other providers of services, are unable to absorb such significant increases and must pass on these higher charges. It is therefore proposed to increase the price of Cremation services by £25. This is to cover the cost of the gas price increases experienced by the Crematorium to date. If gas prices do continue to increase, it may be necessary to review this again in the Fees and Charges report to be brought to Cabinet in November. This price increase would still ensure that our prices were lower than Wealden and Eastbourne, but they would be higher than Maidstone, Sevenoaks and Hastings. It appears that other Crematorium have yet to amend their prices in

response to the gas price increase, but it seems likely that they will need to do so in the near future. Demand at the Crematorium has declined since the Wealden Crematorium opened, but it is considered that the product offering is the determining factor rather than the price.

Green Waste Collection (Appendix B)

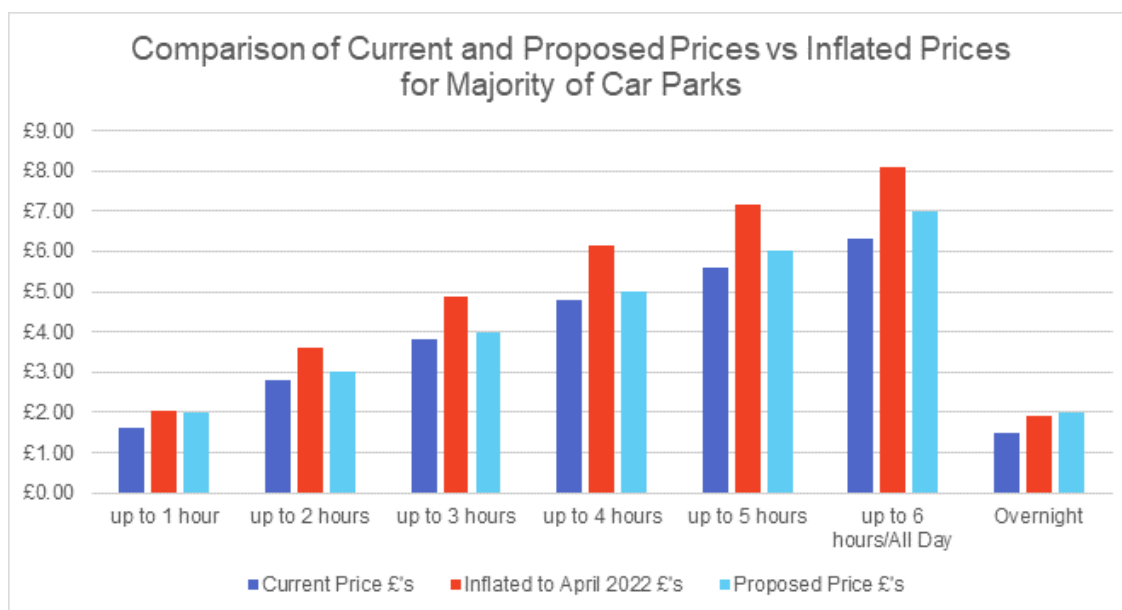
2.4 The service to collect garden waste was introduced in May 2019. The price was set at £52. During the Covid pandemic, this service was suspended for a period to protect household waste collections, but it was reinstated in March 2022 and demand has been buoyant. The budget for 2022/23 assumed 22,000 subscriptions, but there are now 22,983. This volume increase has been reflected in the revised budget proposed, along with a £4 increase in the price. Inflation is increasing the cost of providing the service. The contract indexation for green waste collection increased by 9% last year and is forecast to be more than 10% this year. There are significant labour shortages across the waste sector and the council has needed to agree to pay the contractor an additional £14,000 per month, due to the pressure on salary costs in the industry, to ensure continuity of service. These costs cannot be absorbed within the council's existing budget and should be paid by the user rather than the general tax payer. Other local authorities in Kent provide this service, but are yet to respond to inflationary pressures. It is proposed that prices are increased to £56 on any new subscription or renewal after 1 October 2022.

Pay & Display, Pay by Phone and Pay on Exit Parking Charges (Appendix C)

2.5 Parking charges were last increased on 1 April 2017. The council has not increased its charges annually, as is common place in the private sector. Instead, it reacts when it becomes a necessity to protect the council's finances. It is now proposed to increase parking charges to reflect inflationary pressures, but also with a view to simplifying the pricing structure and promoting dwell time. There is often a misconception that parking charges are directly related to usage. This cannot be borne out by any evidence from the Parking Industry, where it is accepted that parking charges make very little difference to people's decisions about where they work, shop or enjoy their leisure time. It is far more about the quality of the shopping and leisure offering, and the location of their workplace. The council's own experience supports this. Prices were increased in 2012 and 2017 and there was no sudden downward trend in usage after these changes. The Council also experimented with £2 Sunday prices, which were intended to incentivise shoppers to visit Tunbridge Wells on Sundays. However, the usage in the car parks remained unchanged.

As can be seen in the below graph, whilst the price for parking for 1 hour is proposed at just under inflation (motoring RPI of 28.24% since 2017), longer

stays are much lower than inflation. It is hoped that the lower incremental cost will prevent shoppers from hurrying back to avoid the next hour of charges.



Notes relating to each of the car parks have been set alongside the revised prices in Appendix C, to explain the reasoning.

There are two new charges proposed, those being 50p for the first hour in Paddock Wood and 50p for the first 2 hours at Yew Tree. Both of these sessions have been free thus far, but rising costs, especially for maintenance and business rates, has necessitated the raising of additional income.

Car Park Season Tickets (Appendix D)

2.6 The Council offers many types of season ticket in order to give flexibility and affordability to workers and manage areas of limited parking provision in the town. The Council also provides a number of residents only car parks, which now need maintenance, the cost of which has escalated. The price increases proposed have protected those who need to park to work in Tunbridge Wells, keeping them below inflation. It is proposed that the resident car parks, with low cost permits, should pay more towards the maintenance costs needed for their parking provision. Whilst the absolute increases are similar to the other permits, the percentage increases are greater.

When the new online permit system was introduced, there was a review of permit prices, including residents only permits. It was agreed that Stone Street Permits should be increased to the same price as those at Warwick Park, but that they should be increased at a rate of £54 per year in order to phase it in. As the permit price is now to be increased, it is proposed that the £50 increase is incorporated into the catch up amount and that the £54 per year is revised to £80 per year until the revised price of £520 is reached.

Customers are able to pay for their permits monthly by Direct Debit, which has been very popular. It is proposed that prices are increased for any new annual permit or annual renewal after 1 October 2022.

New Parking Charges at Dunorlan Park (Appendix E)

- 2.7 Dunorlan Park has two car parks, one accessible from Pembury Road, the other from Halls Hole Road. Each has around 40 spaces (if they were to be properly marked). It is proposed that new charges are implemented as laid out in Appendix E. Research has shown that it is usual for parking to be charged in country parks in Kent, although the charges do vary. Introducing charges will support the maintenance of the car park and the park itself. The budget has been calculated on the basis of a 50% occupancy rate for the 80 spaces, for 6 hours per day. It is anticipated that charges will help to ensure that the car park is used for visitors to the park and that there is a healthy circulation of users within the limited car spaces. As the park is relatively near to the town centre, there is a risk that shoppers and workers will park and walk into town.

On Street Residents Permits (Appendix F)

- 2.8 The Council manages On Street Parking Zones to control parking in residential areas. Where there is pressure on parking, residents can request the Council create Parking Zones to give residents preferential parking rights and enforce this. Residents can buy a permit for a Parking Zone, which is intended to just cover the costs of providing the service. The prices of the central Tunbridge Wells permits were last increased to £80 in 2017 and the out of town permits have been £60 since 2012, so it is now proposed that the price of each permit is increased by £10. There will be a review considering Emissions Based Charging, which will be brought to Cabinet later this financial year. It is proposed that prices are increased for any new permit or renewal after 1 October 2022.

Visitors Vouchers (Appendix G)

- 2.9 The Council offers a service whereby residents can purchase up to 50 full day equivalent vouchers to permit their visitors to park in their residents Parking Zone. Again the vouchers are at a price designed just to cover the costs. It is proposed that there is a 10% increase in the prices, 15p for a whole day of parking and 10p for half a day.

Planning Fees and Charges

- 2.10 Government has been considering the pricing of planning applications for some time and have recently announced:

“To improve capacity in the local planning system, we intend to increase planning fees for major and minor applications by 35% and 25% respectively, subject to consultation. Increasing fees must lead to a better service for applicants. To further boost performance and service quality in local planning authorities alongside this, we will expand the existing planning performance framework to measure performance across a broader range of quantitative and qualitative measures. We will also support local authorities to build the skills they need, initially by working with sector experts to develop a planning skills strategy for local planning authorities.”

“Following the Queen’s speech this week, further information has been released on how changes to the national planning system will be introduced through the Levelling Up and Regeneration Bill. This information is available here:

<https://www.gov.uk/government/publications/levelling-up-and-regeneration-further-information/levelling-up-and-regeneration-further-information>

Tunbridge Wells’ council tax payers are currently subsidising the processing of planning applications, which is a statutory service imposed by Government. Government set the prices that can be charged and the Council would like to be able to increase the prices as soon as the Government gives us the opportunity. This report requests delegated authority to the Director of Finance, Policy and Development to implement any price increases as soon as possible.

3. Options Considered

- 3.1 Leave prices and volumes the same as 2022/23 budget set in February 2022. This does not reflect the current economic position and will not allow the council to manage its finances appropriately.
- 3.2 Amend the prices up and down subjectively. Considerable efforts have been made to benchmark prices and to reflect the new market conditions.

4. Preferred Option and Reason

- 4.1 That the Sales Prices, Fees and Charges, as set out in this report and appendices, are agreed.
- 4.2 This report and the attached appendices set out the details and reasons for the recommendations.
- 4.3 The Council can no longer absorb the significant inflationary pressure on its operating costs and as the Bank of England is forecasting inflation levels in excess of 11%, it is very unlikely it will be a short term issue.

5. Consultation on Options

- 5.1 All prices and volumes have been agreed by the service areas which have benchmarked prices and researched new pricing options. Management Board have also reviewed these proposals and consider them appropriate.
- 5.2 Appendix B shows the comprehensive research undertaken for the car park charges throughout Kent. It can be seen that the prices are quite disparate. It very much depends upon where the car park is located, which customers the car park is aimed at, the supply and demand for space and the costs of operation. It can be seen that the prices proposed for Tunbridge Wells are certainly within the price ranges charged by other boroughs.

Recommendation from Cabinet Advisory Board

- 5.3 The Finance & Governance Cabinet Advisory Board were consulted on 12 July 2022 and agreed the following:

6. Implementation

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

7. Appendices and Background Documents

Appendices:

- Appendix A: Crematorium
- Appendix B: Green Waste Collection
- Appendix C: Pay and Display, Pay by Phone and Pay on Exit Parking Charges
- Appendix D: Car Park Season Tickets
- Appendix E: New Parking Charges at Dunorlan Park
- Appendix F: On Street Residents Permits
- Appendix G: Visitors Vouchers
- Appendix H: Benchmarking of prices for car parking

8. 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 16/06/22

B. Finance and Other Resources

This report will support the budget for 2022/23, reducing the need to use reserves. It is vitally important for the Council that decisions are made to balance the revenue budget after the effects of the pandemic and that the threats to council services are managed during the current economic uncertainties.

Jane Fineman, Head of Finance, Procurement & Parking 16/06/2022

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 16/06/2022

D. Risk Management

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

Jane Fineman, Head of Finance, Procurement & Parking 16/06/2022

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