

Fees & Charges Setting for 2023/24

For Cabinet on 17 November 2022

Summary

Lead Member: Councillor Christopher Hall, Portfolio Holder for Finance & Governance

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

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Wards Affected: All

| Approval Timetable | Date |
|---|------------------|
| Management Board | 26 October 2022 |
| Portfolio Holder | 28 October 2022 |
| Finance & Governance Cabinet Advisory Board | 15 November 2022 |
| Cabinet | 17 November 2022 |

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 2023 or as otherwise indicated in the report.

1. Introduction and Background

- 1.1 This report details the proposed fees and charges for 2023/24 and seeks Cabinet approval for their implementation on 1 April 2023, except where otherwise indicated. It also provides an update of the efficiencies being made by moving to cheaper electronic methods of payment and changing to electronic methods of communicating with residents, thereby avoiding postage costs.
- 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. It also excludes Parking Charges which were the subject of an Interim Fees and Charges report brought to Cabinet on 20 July 2022.
- 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 2023/24 in order to establish a total budget for their service. These budgets will be carried forward into the 2023/24 budgeting process.
- 1.4 The Medium Term Financial Strategy (MTFS) assumed a 3% year on year increase in income from the sale of the services and products detailed in this report. However, this year, with substantial inflationary pressures on the Council's costs, many prices have needed to be increased by more than this to contribute to the cost of providing the services. Volumes have also been affected by the pandemic and have not all have recovered to 2019/20 levels. The cost of living crisis is also likely to have an impact upon leisure and non-essential services and this has been factored into the forecasts.
- 1.5 This report should be seen in the context of the Retail Price Index of 12.6% and the Consumer Price Index of 10.1% for September 2022.
- 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 2023/24 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 2023/24 due to the cost of living crisis, escalating inflation and, in some areas, the slow recovery from 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 2023/24

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 | 2022/23 Budget £ | 2023/24 Proposed Budget £ | (Increase) / Decrease 22/23 v 23/24 £ | (Increase) / Decrease 22/23 v 23/24 % |
|----------|-------------------------|---------------------|------------------------------|---|---|
| A | Legal Services | 81,900 | 86,450 | (4,550) | (5.6%) |
| B | NNDR & Council Tax | 417,810 | 377,525 | 40,285 | 9.6% |
| C | Land Charges | 287,035 | 308,305 | (21,270) | (7.4%) |
| D | Offence Penalties | 62,280 | 7,164 | 55,116 | 88.5% |
| E | Crematorium & Cemetery | 1,773,352 | 1,906,151 | (132,799) | (7.5%) |
| F | Parks | 169,440 | 182,490 | (13,050) | (7.7%) |
| G | Environmental Licencing | 36,140 | 48,620 | (12,480) | (34.5%) |
| H | Refuse Collection | 1,249,410 | 1,400,720 | (151,310) | (12.1%) |
| I | Planning | 1,576,509 | 1,685,618 | (109,109) | (6.9%) |
| J | Street Naming | 32,270 | 33,370 | (1,100) | (3.4%) |
| K | Administration Charges | 2,250 | 2,250 | 0 | 0.0% |
| L | Camden Centre | 24,000 | 20,000 | 4,000 | 16.7% |
| M | Wesley Centre | 13,090 | 2,000 | 11,090 | 84.7% |
| N | TN2 | 12,000 | 4,000 | 8,000 | 66.7% |
| O | Assembly Hall | 118,880 | 126,468 | (7,588) | (6.4%) |
| P | Ice Rink | 309,000 | 338,320 | (29,320) | (9.5%) |
| Q | Amelia | 10,000 | 10,000 | 0 | 0.0% |
| | TOTAL | 6,175,366 | 6,539,451 | (364,085) | (5.9%) |

2.2 The Medium Term Financial Strategy (MTFS) assumed income for 2023/24 to be the 2022/23 budget plus 3%, totalling £6,360,626. The forecast income budget for 2023/24 proposed in this report is £6,539,451, a surplus to the target of £178,825. However, with inflation continuing to rise, this may be insufficient to cover the costs of providing the services throughout the year. Prices will be kept under review and if significant amendments are required, they can be presented to Cabinet via the Quarterly Monitoring reporting cycles, for approval.

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 5% to £247, in 2023/24. It is proving very difficult to recruit professional 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 charges are compatible with the maximum hourly court cost guideline issued by the HM Court and Tribunal Service.

- 2.4 Appendix B shows the proposed charges for Council Tax and National Non Domestic Rates (Business Rates) summonses and liability orders. These will be the same at Maidstone and Swale Borough Councils. The Council must not profit from these charges. They may only recover costs. It is proposed that all charges should be increased by 10%, with those for Business Rates being rounded up to the nearest £1. Council Tax charges have not been increased since 2013/14 and Business Rates charges since 2018/19. The Council makes every attempt to keep these charges as low as possible in order to help residents and businesses to clear their debts as quickly as possible. However, Consumer Prices have increased by 27.38% since 2013 and inflation is still rising steeply. The Council no longer has the ability to absorb these costs and must pass on at least some of the additional costs to the residents concerned. The 10% proposed is considered to be a reasonable sharing of the costs burden. Whilst it is recognised that charges should be kept as low as possible, there has to be a disincentive to non-payment of Council Tax and Business Rates and the Council cannot afford to further subsidise these charges. The 2023/24 volumes have been decreased for both Business Rates and Council Tax. The courts were closed for months due to Covid-19 and they have only properly re-opened in 2022/23. There is now a backlog of arrears that will be taken through the court in the second half of this financial year. This backlog is expected to impact the budget into 2023/24, so whilst the volumes budgeted are lower than 2022/23 they are still above pre-covid levels.
- 2.5 Land Charges fees (Appendix C) are set by the Council at present and there is a statutory requirement to just recover costs, albeit over a rolling 3 year period to account for in year market changes. In 2015 Government granted HM Land Registry the power to become the sole registering authority of the Local Land Register. Once responsibility is transferred, Local Authorities will no longer have responsibility for the register and will not provide searches of it, although they do still have responsibility to maintain it. This means losing £42.00 income per LLC1 search (total of £71,400). The CON29 part of the search will still be provided by Local Authorities and the income retained. The Council has now been notified that Kent authorities will be transferred in 2023/24 and the Fees and Charges proposed have been amended in anticipation of this change. It is proposed to change the fee structure so that the LLC1 is reduced to £15.00 (it does not attract VAT) and the CON29 charges increases from £102.50 (excluding VAT) to £136.66 (excluding VAT). For the authorities already transferred to HM Land Registry the current charge is £15 per LLC1 search. It is proposed to increase the combined cost of the current LLC1 and CON29 charge, excluding VAT, by 5% to contribute to the additional inflationary costs experienced by the council. This can be seen in the increase in the CON29 charge which will remain with the Council. Amending the fee structure now would prepare the market for the changes ahead and increases the overall fee by £14.00, £6.84 of which would go straight to HMRC in VAT costs. This protects some of the Council's current

income stream, but at some point in 2023/24 the £15.00 per LLC1 search will be lost whilst the costs of maintaining the Local Land Register will remain.

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 since the Covid pandemic. Whilst regular patrols are still carried out, there have not been any penalties issued this year thus far. 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.
- 2.7 It is proposed to increase the price of Cremations by around 6%. Cremation prices were increased by £25.00 on the 1 October 2022 reflecting the increases in gas prices and inflationary pressures on the cost of running the service. This will be increased again on 1 April 2023, to the prices proposed in this report, as energy prices will rise again (Appendix E). There were some amendments to the charges for cremations and burials for Non-Viable Foetuses (NVFs), stillborn babies and children under 18, approved in the Quarter 1 Revenue Monitoring report (Cabinet 22 September 2022), which have been reflected in this report. A number of products and services have been rationalised to simplify the offering and new charges have been introduced for digging larger graves to accommodate oversized coffins and American style caskets, which are much larger than a traditional coffin.
- 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 5% and 8%. The usage of facilities has been assumed to remain much 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 2024/25 are included in this report for approval.
- 2.9 Environmental Licensing charges must be set to just cover their costs. An exercise has been carried out to update these costings following some process reviews which have resulted in some efficiencies. Licence cost increases have therefore been kept below inflation in some areas. There are just a couple of licences, where the workload demands have increased and the price increases are therefore above inflation. Volumes have remained stable, except licenses for Houses of Multiple occupation which have increased significantly. (Appendix G).
- 2.10 It is proposed to increase Bulky Waste Collection costs by 12.77% to reflect the forecast increase in the costs of the collections in 2023/24. The Council needs to pass these costs on to the users of the service. Bulky Waste Collections are still

provided free of charge to recipients of the Council Tax Reduction Scheme Band 1. Cabinet agreed, in their meeting of the 20 July 2022, to increase the price of Garden Waste Collection from £52 to £56 per year from the 1 October 2022 for new customers and from the 1 April 2023 for renewals. The budgeted volume reflects the current position. Wheelie bin and recycling box sales are entirely for new homes and are generally purchased by the property developer. The charges have been increased marginally to support the budget, but to a price that will attract developers to purchase them from the Council rather than elsewhere. (Appendix H).

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 £85,000 from last year as the impact of the Local Plan is forecast to filter through as planning applications from developers. There are some large planning applications that are anticipated, which should make this budget achievable.
- 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 2023/24 Fee Related Applications has been increased by £18,000 compared to last year, as prices will need to rise to cover inflation.

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 reduced a little 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.

Facilities and Community Hubs (Appendices L - N)

- 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 reopened after issues with the roof, but it is taking time for the usage to recover after the pandemic.

- 2.16 It is proposed that the prices at the Wesley Centre remain the same for 2023/24. 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 5 days a week at the Wesley Centre for their Children's Centre, but have only returned one afternoon a week. The budget has been significantly reduced to reflect the reduced demand. (Appendix M).
- 2.17 The prices at the TN2 Community Centre will also remain the same as last year (Appendix N). The centre is opening 3 evenings per week although there has been much reduced demand for the facilities since the pandemic. At present much of the space is being utilised by the Ukranian Relief Group.

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

- 2.18 It is proposed that the standard rate of hiring the Assembly Hall increases to £4,500 per day to contribute towards the costs of inflation being experienced by the theatre. 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 Theatre Fee (was called the booking fee) is now included within the advertised ticket price at £3.00 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 £22.00 including VAT for 2023/24. 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. 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. Prices have been increased by around 6% which is significantly below the cost increase in energy costs to freeze the ice. However, prices are still at the higher end of the market and the intention is to ensure that everyone can still afford to go skating in Tunbridge Wells. (Appendix P).
- 2.20 The Amelia opened in 2022/23, but it will take some time to establish the customer base for the rooms and facilities for hire. It is therefore proposed to leave the prices and the budget unchanged for 2023/24 to encourage the use of the new facilities. (Appendix Q).

Net Revenue Streams being considered but not Proposed

- 2.1 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

- 2.2 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

- 2.3 This report has considered the level of fees and charges and the income projections for 2023/24. The direct costs associated with obtaining this income will be considered as part of the 2023/24 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

- 2.4 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

- 2.5 The Council has been working hard to ensure that payment collection is carried out in the most efficient, cost effective manner. All car parks are now cashless, with options to pay by debit or credit card, or via Ringo, using their App or calling to make a payment. The council now has the ability to allow customers to set up their own direct debits online and the numbers using this to renew their Garden Waste service has been increasing. The council 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 have also been upgraded to be mobile, which are now in use in the Assembly Hall Theatre, The Amelia and the Ice Rink.
- 2.6 Other work to progress electronic and cost efficient payment collection and contact with the customer is as follows:
- Cabinet agreed that the Council should no longer take cheques, except in extremis, from 1 April 2021. In 2021/22 we have taken just 64 cheques

(down from 3,679 in 2019/20), saving banking costs and enabling Finance staff to work from home.

- Paperless billing is in place for council tax and business rates with 18,060 households (16,732 last year) registered, representing 33.9% (32.91% last year) of customer accounts. 73.1% of businesses are now signed up for ebilling for their Business Rates accounts (up from 72.89% in 2021/22).
- Direct Debits are still being promoted. The Financial Management System now has direct debits set up for 193 customers (205 last year) of the 297 allotment accounts (65%). Parking permit direct debit accounts for season ticket holders are slowly recovering. There are 205 at present, an increase from 162 in 2021/22, but still below the 394 in 2019/20 pre-pandemic. We now have 3,877 direct debit customers for Garden Waste (2,344 in 2021/22), which is 18.6% of all subscribers. We expect this to rise significantly this year, as customers can renew by signing up to a Direct Debit online rather than having to phone us. This will be positive as it means that customers will no longer have to go through a renewals process on an annual basis.
- The overall percentage of council tax payers paying by Direct Debit has fallen a little to 75.5% from 77.84% in 2021/22. This will need to be monitored closely as Direct Debit is the cheapest way to pay and we wish to avoid banking costs increasing.
- In 2021/22 Parking Cash Pay & Display payments accounted for 2% of transactions (2018/19 27%, 2019/20 19%, 2020/21 6%), 51% were Pay by Phone (2018/19 36%, 2019/20 42%, 2020/21 48%) and 47% (2018/19 37%, 2019/20 39%, 2020/21 46%) Card Pay on Exit payments. All card parking machines in the borough have been upgraded and are now card only. A new 5 year contract was won in 2021/22 by Ringo and payment transactions are free to both the council and the customer. It is therefore very positive that the proportion of customers choosing to Pay By Phone has continued to increase. In September 2022 58% of customers paid this way. The total cost of merchant fees associated with card payments has increased with the volumes, but this has been more than offset by the savings from cash collection, theft from the machines and the accompanying damage to them.

2.7 Cash transactions at the kiosk in the Amelia (previously in the Gateway) have also reduced significantly since Covid. Customers are paying an average of £18,000 per month into the kiosk, whilst pre-Covid the kiosk received an average of £61,000 in cash each month. This change in customer behaviour is helpful and means that our Customer Services Team do not have to support people to pay at the kiosk and we can manage the banking of cash in house, rather than needing a cash collection contractor to do it for us.

3. Options Considered

- 2.1 Leave prices and volumes the same as 2022/23. This does not reflect the economic position post Covid 19 and the significant inflationary pressures now being experienced by the Council. This 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, reflect the new market conditions and account for the increasing costs associated with providing each service.

4. 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 2023/24, detailed within the appendices.

5. 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 15 November 2022 and agreed the following:

6. Implementation

- 2.1 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: 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

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 21/10/22

B. Finance and Other Resources

This report will inform the budget setting process for 2023/24. It is vitally important for the Council that income is well managed in order to preserve Council services, especially as inflationary pressures are causing significant cost of service increases. The council must 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 21/10/2022

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 21/10/2022

D. Risk Management

There is considerable risk around the volumes projected in this report, due to the uncertainties relating to the state of the economy, the war in Ukraine and the aftermath of the pandemic. Whilst each manager has very carefully reviewed the position of their area, circumstances are changing constantly and are mostly out of our control.

Jane Fineman, Head of Finance, Procurement & Parking 21/10/2022

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