

This Report will be made public on 6 November 2018



Report Number **C/18/48**

To: Cabinet
Date: 14 November 2018
Status: Key Decision
Head of Service: Charlotte Spendley, Assistant Director- Finance, Customer & Support Services
Cabinet Member: Councillor Malcom Dearden, Finance

SUBJECT: FEES AND CHARGES 2019/20

SUMMARY:

This report focuses on the proposed fees and charges for 2019/20 which will contribute towards meeting the council's 2019/20 budget objectives and Medium Term Financial Strategy.

The Council's Fees and Charges Policy was revised and agreed by Cabinet on 15 November 2017 (Report C/17/54).

RECOMMENDATIONS

1. To receive and note report C/18/48
2. To approve:
 - (i) The 2019/20 fees and charges which are set at the discretion of the council for the General Fund and Housing Revenue Account, as outlined in Appendix 2;
 - (ii) The parking charges in Appendix 3;
 - (iii) The statutory charges subject to discretionary charges in Appendix 4; and
 - (iv) The statutory charges at Appendix 5.

1. INTRODUCTION AND BACKGROUND

- 1.1 The Fees and Charges Policy sets out the Council's charging framework. The Policy is outlined within Appendix 1 in full. As the policy was refreshed last year, it remains relevant and no changes to the policy are proposed at this time.
- 1.2 The proposal for 2019/20 is to apply the CPI rate at June 2018 (2.3%) as the benchmark for price increases. There are exceptions to this principle where an inflationary increase is anticipated to have an adverse impact on demand or where it would place the charge out of line with comparable services in neighbouring councils.
- 1.3 The proposed discretionary fees and charges for 2019/20 are detailed at Appendices 2 to 4. Statutory charges are shown in Appendix 5.

2. DISCRETIONARY FEES AND CHARGES – APPENDIX 2

2.1 Legal, Democratic and Contract Services

- 2.1.1 Street Naming & Numbering – Charges are proposed to be held at 2018/19 levels as a comprehensive review was undertaken recently and costs are being recovered.
- 2.1.2 Legal Fees - the majority of fees are to be increased to reflect comparative market fees, this has resulted in higher than inflationary increases in some cases. The charges for Deeds of Surrender and Novation have been split into two separate charges.
- 2.1.3 Hythe Pool – the proposed increase in various charges including pool hire however other charges remain unchanged due to current fees being in line with other leisure providers, or in some cases more. Some charges have been removed from the schedule due to ceasing of charge in 2018/19. Private Lesson charges are proposed to be reduced to encourage uptake.
- 2.1.4 Waste & Recycling - inflationary increase to the Garden Waste subscription is proposed resulting in a revised fee of £47.00 for the annual service (2018/19 £46). All other charges remain unchanged.

2.2 Communications

Charging for advertising in Your District Today is to be increased in line with other authorities following a benchmarking exercise. An additional charge for inside front and back cover advertising has also been added to the schedule.

2.3 Housing Services

- 2.3.1 All HRA resident charges to be increased by inflation rate in line with the agreed policy. Rent setting will be considered separately through the December HRA Cabinet paper and is not subject to these inflationary increases.
- 2.3.2 “Inspections” fee is proposed to be renamed to “Non-Statutory Inspections”, this will allow the Council to charge for inspections other than immigration if necessary (i.e when other Local Authority housing departments request an inspection). Charge proposed to be increased to £139 inclusive of VAT.

2.4 Commercial & Technical

- 2.4.1 Outdoor sports and recreation charges are to be increased by inflation rate.
- 2.4.2 Private Lifeline charges are proposed to be increased by inflation in line with policy guidance. CO2 fall and flood detector lifeline charges to be reduced to reflect cost of service.

2.5 Planning Services

- 2.5.1 Planning Pre-application charges are to be revised and increased by 5%. Charges for Equestrian development (domestic), External alterations, Advertisements, Businesses - further work following initial advice and all other business/commercial with a floor space above 500m² have been added to the schedule.
- 2.5.2 New charge proposed to be added to schedule for applications and renewal to self-build and custom build projects register. This charge will be introduced during 2019/20.

2.6 Community Services

- 2.6.1 Miscellaneous Licensing - New charging structure added to schedule for dog boarding and breeding, and keeping and training animals, this replaces current structure of charging due to new legislation which took effect from 1st October 2018.
- 2.6.2 Market fees - No proposed change due to competition with upper market where fees currently lower than FHDC. In addition a new line has been added for ‘Market Licence Fee’ however the level of charging will be determined through a separate Cabinet report in due course.
- 2.6.4 Scrap Metal and Personal and Premises licensing charges to be increased by inflation rate, apart from Tattoo licenses. Current fee has been found to be high compared with other Local Authorities, it is proposed to maintain at current level, with the intention this will encourage registration.

- 2.6.5 Dog Control – Microchip fee (£5.00) added to schedule to cover cost from kennels. Previously they were issued free of charge, it is proposed that once the current supply is exhausted that a charge will be applied. Additionally a charge for worming has been added to schedule.
- 2.6.6 Pollution Environmental Health charges are proposed to be increased (from £126 to £150) to reflect the amount of officer time involved.
- 2.6.7 Food & Safety - Charge for Food Hygiene Scheme re-rating to be increased from £45 to £130 following an exercise to evaluate the fee required to ensure full cost recovery for this service. Food Hygiene course fees to remain unchanged, however lunch will no longer be provided to reduce overall service costs.
- 2.6.8 Private Water Supply Sampling and Caravan site charges to be increased by inflation rate.

2.7 Finance, Customer & Support Services

- 2.7.1 Cemeteries - most charges proposed to remain unchanged except Memorial benches which are proposed to be increased by inflation. Charges were reviewed for 2018/19 and are comparable with other local authorities, additionally there has been a downward trend of income which is anticipated to continue and budget reduction of £40,000 forms part of the Growth & Savings exercise to reflect this movement.
- 2.7.2. Hiring of room rates to be increased by inflation rate.
- 2.7.3 A comprehensive review of court costs chargeable for Council Tax and NNDR cases has been undertaken resulting in the proposed charges being reduced to £100 and £174 respectively.

3. PARKING CHARGES 2019/20 – APPENDIX 3

- 3.1 It is not proposed to increase the parking charges for 2019/20, due to the review that was carried out in March 2018.
- 3.2 Due to the continued increase in the volume of income received for charges, fines and permits budget savings have been proposed as part of the Growth & Savings exercise. This calculates to an overall net increase of:

On Street -£93,500

Off Street -£75,500

4. STATUTORY CHARGES SUBJECT TO DISCRETIONARY FEES – APPENDIX 4

- 4.1 Housing Services - HMO license fees are proposed to increase significantly from the current charge due to a comprehensive review of calculating the costs that has been recently undertaken. This will bring us more in line with the rest of East Kent Local Authorities charging. The banding for the number of units has been amended from 3 to 2. Therefore, the charge is the same for 2-8 units and then a nominal fee for every unit over 8 units.

5. STATUTORY FEES AND CHARGES – APPENDIX 5

- 5.1 Planning - Statutory fees and charges have been updated for 2019/20. The 'Proposed 2019/20 charges' represent the descriptions and charges in-line with changes that came into effect January '18.

6. 2019/20 GENERAL FUND BUDGET IMPLICATIONS

- 6.1 The following budget changes have been proposed though the Budget Strategy document also being considered at this meeting in respect of income budgets. Additionally there are a few smaller income adjustments reflected in the Budget Strategy position through the base budget review. Several of these adjustments however are reflective of current trends rather than proposed changes to the fees & charges schedules. The significant changes that relate to the level of fees being charged are the reduction in Court costs, and the part of the increase in Hythe Pool income.

The increase comprises:

	£	£
Reduced income (budget growth):		
Market Income	29,000	
Planning & Pre-application advice	85,000	
Burials	40,000	
Court Costs	100,000	254,000
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Increased income		
Off-Street Parking (net)	-75,500	
Hythe Pool	-25,000	
Industrial & Corporate Property rentals	-25,000	
On-Street Parking (net)	-93,500	
Building Control fees	-62,000	-281,000
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Net		£27,000

7. PROPOSED AMENDMENTS TO HOUSING REVENUE ACCOUNT FEES AND CHARGES

Charges for Wastewater Treatment Works and Pumping Stations

- 7.1 The 2018/19 Fees and Charges report highlighted that the HRA subsidises the cost of this service. As in previous years, Cabinet agreed to limit increases on the charge for this service for existing users to annual increases of 8% in 2018/19 where users of the service were already paying the maximum charge of £875 per property. Users whose charge was lower than this would continue to pay the actual cost of the service up to the capped maximum amount. Cabinet has also previously agreed that new purchasers of properties, who buy under the 'Right to Buy' scheme, pay the actual cost of wastewater treatment works and cesspools.

The increase to the capped charge takes it from £875 in 2018/19 to £945 in 2019/20 and will reduce the HRA subsidy to £4,000 from £6,000.

Cesspools

- 7.2 In 2018/19 the same principle of the council recovering its costs up to a maximum of £875 for each household has previously been approved for the 7 council-owned properties which drain to cesspools. This produces annual income of £6,125. The cost of the service in 2017/18 was £9,805. If the cost is about the same in 2018/19 the HRA would be subsidising the service by approximately £3,680. In line with the above, it is recommended that the cap remains at the already approved figure of 8% per annum for 2019/20 taking the annual charge to £945.

- 7.3 Charges to tenants for garages, parking, room hire, etc. are to be increased by 2.3%

- 7.4 The budget implications of these changes will be reflected in the Housing Revenue Account and Capital Original Budget 2019/20 report to Cabinet in February 2019.

8. RISK MANAGEMENT ISSUES

- 8.1 A summary of the perceived risks follows:

Perceived risk	Seriousness	Likelihood	Preventative action
Income targets are not achieved resulting in a budget deficit	High	Medium	All fees and charges and income budgets are reviewed in detail each year to ensure that they are reasonable and achievable.

9. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

9.1 Legal Officer's Comments (DK)

As a general rule, the Council is under a duty to act fairly in its decision-making, including exercising its discretion to increase relevant fees and charges. The Localism Act 2011 gives the Council a wide ambit of power to charge for its services and section 93 of the Local Government Act 2003 gives the Council capacity to charge for relevant services; on the basis it is doing so without 'trading' (or making a profit).

9.2 Finance Officer's Comments (LH)

The financial implications are set out in the report.

9.3 Diversities and Equalities Implications

The budget report to Full Council in February 2019 will include an Equality Impact Assessment of the budget recommendations for 2019/20.

10. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councilors with any questions arising out of this report should contact the following officer prior to the meeting.

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The following background documents have been relied upon in the preparation of this report:

Budget working papers

Appendices:

- Appendix 1 - Fees and Charges Policy
- Appendix 2 - Discretionary Fees and Charges Schedule
- Appendix 3 – Parking Schedule
- Appendix 4 - Statutory Fees Subject to Discretionary Charges Schedule
- Appendix 5 - Statutory Fees Schedule

General Fees and Charges Policy

All fees and charges are subject to the following general policy.

1. There shall be full cost recovery so that general council taxpayers are not subsidising the costs of an optional service. Any exceptions to this rule can only be agreed by cabinet. Where there is a substantial change between the current charge and the full cost recovery amount, the increase can be staggered over a period of up to three financial years.

In addition:

2. Fees and charges are increased by the current rate of inflation (generally rounded up to the nearest 10p).

The main exceptions to this rule are:

- Court fees
- Room bookings at the civic centre – voluntary organisations
- Car parking – as subject to review in the Car Park Strategy
- Building control – subject to full cost recovery of building control chargeable element.
- Contract charges with other organisations which are subject to separate negotiations
- Commercial activities - where fees and charges need to respond to market conditions or their ability to compete effectively for tenders. These will be discussed with the relevant portfolio holder at the appropriate time but will be on the basis of covering all costs at a minimum.
- Statutory charges - over which the council has no control and will be introduced as per the respective guidance and will not be subject to this policy