

Fees & Charges 2018/19

Final Decision-Maker	Policy & Resources Committee
Lead Head of Service/Lead Director	Mark Green, Director of Finance & Business Improvement
Lead Officer and Report Author	Ellie Dunnet, Head of Finance
Classification	Public
Wards affected	All

Executive Summary

This report sets out the proposed fees and charges for 2018/19 for the services within the remit of this Committee, and summarises the overall changes for all Committees. Fees and charges determined by the council are reviewed annually, and this forms part of the budget setting process.

The Committee is invited to consider the appropriateness of the proposals for charges which are set at the Council's discretion.

Charges which are determined centrally have been included in Appendix 1 for information.

This report makes the following recommendations to this Committee:

1. That the proposed discretionary fees and charges set out in Appendix 1 to this report are agreed.
2. That the centrally determined fees and charges set out in Appendix 1 to this report are noted.
3. That the overall change in fees and charges attached at Appendix 2 is noted.

Timetable

Meeting	Date
Policy & Resources Committee	24 January 2018

Fees & Charges 2018/19

1. INTRODUCTION AND BACKGROUND

1.1 The updated Charging Policy was considered and agreed by this Committee on 22 November 2017. The policy seeks to ensure that:

- a) Fees and charges are reviewed regularly, and that this review covers existing charges as well services for which there is potential to charge in the future.
- b) Budget managers are equipped with guidance on the factors which should be considered when reviewing charges.
- c) Charges are fair, transparent and understandable, and a consistent and sensible approach is taken to setting the criteria for applying concessions or discounted charges.
- d) Decisions regarding fees and charges are based on relevant and accurate information regarding the service and the impact of any proposed changes to the charge is fully understood.

1.2 The policy covers fees and charges that are set at the discretion of the council and does not apply to services where the council is prohibited from charging, e.g. the collection of household waste. Charges currently determined by central government, e.g. statutory licensing fees, are also outside the scope of the policy. However, consideration of any known changes to such fees and charges and any consequence to the medium term financial strategy are included in this report for information.

1.3 Budget managers are asked to consider the following factors when reviewing fees and charges:

- a) The Council's strategic plan and values, and how charge supports these;
- b) The use of subsidies and concessions targeted at certain user groups or to facilitate access to a service;
- c) The actual or potential impact of competition in terms of price or quality;
- d) Trends in user demand including an estimate of the effect of price changes on customers;
- e) Customer survey results;
- f) Impact on users, both directly and on delivering the Council's objectives;
- g) Financial constraints including inflationary pressure and service budgets;

- h) The implications of developments such as investment made in a service;
- i) The corporate impact on other service areas of Council wide pressures to increase fees and charges;
- j) Alternative charging structures that could be more effective;
- k) Proposals for targeting promotions during the year and the evaluation of any that took place in previous periods.

1.4 Charges for services which fall within the remit of this Committee have been reviewed by budget managers in line with the policy, as part of the development of the medium term financial strategy for 2018/19 onwards. The detailed results of the review carried out this year are set out in Appendix 1 and the approval of the Committee is sought to the amended fees and charges for 2018/19 as set out in that appendix.

1.5 Table 1 below summarises the 2016/17 outturn and 2017/18 estimate for income from the discretionary fees and charges which fall within the remit of this Committee. It also indicates the proposed budget for 2018/19, taking into account any changes in the fees and charges, as well as expected changes in the volume of transactions. Please note that the table only reflects changes relating to fees and charges and does not include other budget proposals which may impact these service areas.

Service Area	2016-17 Outturn £	2017-18 Estimate £	Proposed increase in income £	2018-19 Estimate £
Business Terrace	58,998	89,680	0	89,680
Jubilee Square	8,155	3,500	0	3,500
Legal Services	56,729	43,400	0	43,400
Town Hall	1,302	3,990	0	3,990
Maidstone House (staff parking)	0	15,000	0	15,000
Total income from charges set by the Council	125,184	155,570	0	155,570

Table 1: Discretionary Fees & Charges Summary (P&R)

- 1.6 The review of fees and charges has resulted in a small number of increases to counteract the impact of inflation and increased contract costs. Overall it is not anticipated that this will give rise to a net increase in the Council's income budgets for these areas.
- 1.7 The fee structure for Mid Kent Legal Services has been rationalised with fees for individual services being discontinued and replaced with an hourly rate. Income in 2016/17 was higher than anticipated due to a significant volume of income derived from s106 agreements. As it is unclear whether or not this will be sustained through to 2018/19, the budget has been set at the same level as for the current year. Any increase in income arising from a higher volume of work would be used to finance increased costs payable under the shared service contract.

- 1.8 Table 2 below summarises the income due from fees which are set by the government. There is no change in the level of charge or income expected for the forthcoming financial year. However, the budget has been increased by 23.23% from the 2017/18 level due to the expansion of the service. The increased income will be used to cover additional operational costs.

Service Area	2016-17 Outturn	2017-18 Estimate	Proposed increase in income	2018-19 Estimate
	£	£	£	£
Mid Kent Enforcement Service*	370,848	710,580	165,420	876,000
Total income from charges set externally	370,848	710,580	165,420	876,000

Table 2: Statutory Fees & Charges Summary (P&R)

*This operates as a shared service, the income is gross and the net profit is shared equally between the 3 authorities.

- 1.9 The updated Charging Policy states that this Committee will consider the overall impact of the proposed changes in fees and charges, and a summary of main changes in each area is therefore provided within Appendix 2. Overall, the anticipated impact of the proposals represents a 2.75% increase on the existing budget.

2. AVAILABLE OPTIONS

Option 1

- 2.1 The Committee could approve the recommendations as set out in the report, adopting the revised fees and charges as proposed in Appendix 1. As these proposals have been developed in line with the council's policy on fees and charges they will create a manageable impact on service delivery whilst maximising income levels.

Option 2

- 2.2 The Committee could agree different increases to those proposed within Appendix 1. Any alternative increase may not be fully compliant with the policy, would require further consideration before implementation and may not deliver the necessary levels of income to ensure a balanced budget for 2018/19. The impact on demand for a service should also be taken into account when considering increases to charges beyond the proposed level.

Option 3

- 2.3 The Committee could reject the proposed changes and leave all fees at the current level. However, this would limit the Council's ability to recover the cost of delivering discretionary services, and could result in the Council being unable to set a balanced budget for 2018/19.

3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 3.1 Option 1 as set out above is recommended as the proposed fees and charges shown within Appendix 1 have been developed by budget managers in line with the Council's Charging Policy. The proposed charges are considered appropriate and are expected to create a manageable impact on service delivery whilst maximising cost recovery.
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4. RISK

- 4.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the Policy.
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5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 Fees and charges proposals are being considered by service Committees throughout December and January.
- 5.2 No specific consultation has been completed on these fees and charges but the previous resident's survey included questions relating to direct payment for services and this option was seen by residents as the second most popular way of managing pressures on council budgets, with 19.7% of responders voting in favour of this option.
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6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 If agreed, the revised fees will come into effect from 1 April 2018, unless otherwise stated.
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7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<ul style="list-style-type: none">The Council's policy on charging	Head of Finance
Risk Management	<ul style="list-style-type: none">Risk implications have been set out in section 4 of the report.	Head of Finance
Financial	<ul style="list-style-type: none">We expect accepting the recommendations will ensure that inflationary	Head of Finance

	<p>and contract increases can be met from additional fee income. If agreed, this income will be incorporated into the Council's medium term financial strategy for 2018/19 onwards.</p>	
Staffing	<ul style="list-style-type: none"> We will deliver the recommendations with our current staffing. 	Head of Finance
Legal	<ul style="list-style-type: none"> A number of the fees and charges made for services by the Council are set so as to provide the service at cost. These services are set up as trading accounts to ensure that the cost of service is clearly related to the charge made. 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. Where a customer defaults the fee or charge for a service must be defensible, in order to recover it through legal action. Adherence to the policy on setting fees and charges provides some assurance that appropriate factors have been considered in setting these charges. 	Legal Team

Privacy and Data Protection	<ul style="list-style-type: none"> No specific impact identified. 	Legal Team
Equalities	<ul style="list-style-type: none"> The recommendations do not propose a change in service therefore will not require an equalities impact assessment 	Policy & Information Manager
Crime and Disorder	<ul style="list-style-type: none"> No specific impact identified. 	Head of Finance
Procurement	<ul style="list-style-type: none"> No specific impact identified. 	Head of Finance

8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix 1: Proposed fees & charges 2018-19 - Policy & Resources Committee
- Appendix 2: Summary of fees & charges 2018-19 - All Committees

9. BACKGROUND PAPERS

Charging Policy: <http://aluminum:9080/documents/s58019/Appendix%201%20-%20Charging%20Policy%20November%202017.pdf>