

This Report will be made public on 5 November 2019



Report Number **C/19/41**

To: Cabinet
Date: 13 November 2019
Status: Key Decision
Head of Service: Charlotte Spendley, Assistant Director Finance, Customer & Support Services
Cabinet Member: Councillor David Monk - Cabinet Member for Finance

SUBJECT: FEES AND CHARGES 2020/21

SUMMARY:

This report focuses on the proposed fees and charges for 2020/21 which will contribute towards meeting the council's 2020/21 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/19/41.
2. To approve:
 - (i) The 2020/21 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.

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. It is felt that the policy remains relevant and no changes to the policy are proposed at this time.
- 1.2 The proposal for 2020/21 is to apply the CPI rate at June 2019 (2%) 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 2020/21 are detailed at Appendices 2 to 4.

2. DISCRETIONARY FEES AND CHARGES – APPENDIX 2

2.1 Legal, Democratic and Contract Services

- 2.1.1 Hythe Pool – proposed increases are broadly inflationary, however some charges remain unchanged due to current fees being in line with other leisure providers, or in some cases more.

2.2 Housing Services

- 2.2.1 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 Commercial & Technical

- 2.3.1 No increases to the Private Lifeline charges are proposed so that our charges remain competitive when compared with other providers.
- 2.3.2 Hire of Land – increases higher than the inflation rate are proposed. Increases are on average 6% to bring charging in line with comparative fees for Folkestone Parks & Pleasure Grounds Charity land.

2.4 Community Services

- 2.4.1 Miscellaneous Licensing - New fees 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. Increases have been limited to the inflationary rate of 2%, except for the fee relating to the hiring of horses has increased to £166.50.
- 2.4.2 Market fees - A new Street Trading Consent licence applicable for 3 months has been introduced and the existing annual licence is proposed to be increased by the inflationary rate of 2%. The existing Street Trading licence

relating to stall lanterns is proposed to be increased from £2.00 to £5.00 per day, per stall.

- 2.4.3 Food & Safety – the Food Export certificate charge has been split into certification and food inspection. The combined fee for these two elements has been reduced by 3.5%. This will support local businesses, following Brexit, which may only require a number of certificates for export but not an inspection.

2.5 Finance, Customer & Support Services

- 2.5.1 Street Naming & Numbering – Charges are proposed to be increased from 2019/20 levels at an above inflation rate, resulting in an average increase across this service of 13%. These range from a £6 increase (to £245) for the provision of historical information to £164 increase (to £735) to change a street name.
- 2.5.2 Cemeteries – proposed change to fee structure; burial & plot charges now included within age category purchase fees. Digging fees & other fees increased by inflationary rate of 2%. Exhumation fees no longer a fixed fee but a variable fee from 2020/21. Memorial bench fees are to be increased by 4%, this is to take into account that there were no increases in 2019/20.
- 2.5.3 Public Health Funerals – a new fee of £300 is proposed to cover the cost of these.

3. PARKING CHARGES 2020/21 – APPENDIX 3

- 3.1 It is not proposed to apply inflationary increases across the parking charges schedule except for the following locations to assist with car park operations, seasonal demand and road congestion:

Long stay Sandgate Road – proposed increase of 50p across all stay durations

Mount Street, Hythe – proposed additional hour of parking taking to 3 hour maximum stay. £1.20 for first hour, linear per minute charging thereafter.

Lower Sandgate Road West – proposed significant above inflationary increases to help manage demand.

- 3.2 Folkestone Controlled Parking Zones (CPZ) – new fees for permits to assist Tradesmen working at properties across CPZ's. New yearly permit for £416 and a six monthly permit for £208.
- 3.3 Parking Suspensions – proposed increase from a £75 flat fee to £100 administration fee plus £12 per day per 6m parking space.

4. STATUTORY CHARGES SUBJECT TO DISCRETIONARY FEES – APPENDIX 4

- 4.1 Local Land charges (Commercial) – the basic research fee is proposed to be reduced from £130 in 2019/20 to £95 in 2020/21 which will bring it in line with the residential charges.

5. 2020/21 GENERAL FUND BUDGET IMPLICATIONS

- 5.1 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 part of the increase in Off-Street Parking income.

The increase comprises:

| | £ |
|----------------------------|-----------------|
| Increased income: | |
| Hythe Swimming Pool | 6,000 |
| Household Waste Collection | 3,000 |
| Hackney Carriage Licence | 1,500 |
| Recycling & Waste | 14,500 |
| Planning Application Fees | 13,000 |
| Off-Street Parking | 95,000 |
| On-Street Parking | 5,000 |
| Street Naming & Numbering | 1,800 |
| Cemeteries | 7,300 |
| Memorial Benches | 2,000 |
| | <hr/> |
| Net | £149,100 |

6. PROPOSED AMENDMENTS TO HOUSING REVENUE ACCOUNT FEES AND CHARGES

Charges for Wastewater Treatment Works and Pumping Stations

- 6.1 The 2019/20 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 2019/20 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 £945 in 2019/20 to £1,020 in 2020/21 and will reduce the HRA subsidy to £2,000 from £4,000.

Cesspools

- 6.2 In 2019/20 the same principle of the council recovering its costs up to a maximum of £945 for each household has previously been approved for the 7 council-owned properties which drain to cesspools. This produces annual income of £6,615. The cost of the service in 2018/19 was £11,820. If the cost is about the same in 2019/20 the HRA would be subsidising the service by approximately £5,205. In line with the above, it is recommended that the cap remains at the already approved figure of 8% per annum for 2020/21 taking the annual charge to £1,020.
- 6.3 Charges to tenants for garages, parking, room hire, etc. are to be increased by 2%
- 6.4 The budget implications of these changes will be reflected in the Housing Revenue Account and Capital Original Budget 2020/21 report to Cabinet in February 2020.

7. RISK MANAGEMENT ISSUES

7.1 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. |

8. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

8.1 Legal Officer’s Comments (NE)

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).

8.2 Finance Officer’s Comments (LH)

The financial implications are set out in the report.

8.3 Diversities and Equalities Implications

The budget report to Full Council in February 2020 will include an Equality Impact Assessment of the budget recommendations for 2020/21.

9. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

Leigh Hall, Group Accountant

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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

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

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