

TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

08 November 2022

Joint Report of the Management Team and

Cabinet Member for Finance, Innovation & Property

Part 1- Public

Executive Key Decisions

1 **FEES & CHARGES REVIEW**

In advance of the Budget Setting for the year 2023/24, Cabinet is invited to consider proposals for increases to Fees and Charges that are set by the Council.

1.1 Introduction

- 1.1.1 Under the previous governance arrangement, individual Advisory Boards considered, during the Autumn/Winter cycle of meetings, Fees and Charges proposals for recommendation onto Cabinet. Under the new arrangements, Cabinet will be responsible for considering proposals directly.
- 1.1.2 Cabinet is already aware, through various sources, of the current high rates of inflation which are predicted to remain for a little longer yet. Members will of course appreciate that when the Budget, covering both expenditure and income, was set in February 2022 inflation was not predicted to be at these levels.
- 1.1.3 The Finance, Regeneration & Property Scrutiny Select Committee received a report at its meeting on 11 October entitled “Financial Planning & Control” setting out the current financial position for the year.
- 1.1.4 Unsurprisingly, the financial picture that is emerging is becoming very concerning, particularly given the high level of inflation. Members were asked to consider whether, in the light of surging inflation, they wished to make a recommendation to Cabinet inviting a potential ‘in-year’ review of the level of fees and charges to ensure that the Council is at least keeping pace with its costs.
- 1.1.5 The Select Committee felt it appropriate for an in-year review of the level of fees and charges to be undertaken. It was also felt that car parking charges and usage across the Borough should be reviewed as part of this exercise to see if there was any potential to generate income from lower charges by increasing daily use. The Select Committee therefore recommended to Cabinet that, due to the

escalating levels of inflation, an in-year review of fees and charges, including a review of car parking charges across the Borough, be undertaken.

- 1.1.6 Notwithstanding whether an in-year review is warranted or indeed appropriate, as indicated in paragraph 1.1.1, at this time of year (as we begin the Budget Setting process) the Council also needs to consider how it wishes to approach the setting of fees and charges for the financial year 2023/24.
- 1.1.7 In line with guidance from previous years, the budgetary guidance issued to Chief Officers for the 2023/24 budget cycle has reiterated the objective to maximise income subject to market conditions, opportunities, and comparable charges elsewhere.
- 1.1.8 This report therefore gives Cabinet some potential “food for thought” in how it might approach:
- a potential in-year review of fees and charges as recommended by the Finance, Regeneration & Property Scrutiny Select Committee; and
 - the 2023/34 Fees and Charges Setting
- 1.1.9 Cabinet is reminded of the latest inflation statistics where September CPI is recorded as 10.1%, rising from 9.9% in August.

1.2 Review

- 1.2.1 Details relating to the setting of Fees and Charges across the various Services of the Council are set out in a number of attached **Annexes** in order to keep the main report as simple as possible.
- 1) Annex 1 – Planning, Housing and Environmental Health
 - 2) Annex 2 – Street Scene, Leisure & Technical Services
 - 3) Annex 3 – Central Services
 - 4) Annex 4 – Finance and Transformation Services
- 1.2.2 Members will note that officers from the various Services have made suggestions about the potential maximum increases for fees and charges in each category having regard to the level of inflation, market conditions and comparable charges. In some cases (e.g. building control and land charges) there are legislative restrictions regarding the setting of fees relative to the costs incurred, and this must be borne in mind.
- 1.2.3 In formulating proposals about the increases, Members might also wish to have regard to whether or not the service being charged for is a discretionary one. Whilst this is of course a matter for Members to decide, they might nevertheless wish to reflect the thought that charges for discretionary services should ensure at

least a 'breakeven' position, if not a contribution towards the Council's corporate costs.

1.3 Timetable

- 1.3.1 If Members are minded to agree an in-year increase to any of the fees and charges, the timetable will vary dependent upon the type of fees/charge being levied.
- 1.3.2 For example, it is necessary for parking charges to go through a formal consultation exercise. As the length of the public consultation period would fall into the 2023/24 financial year, it would not be feasible to consider an in-year review of charges in this specific service area.
- 1.3.3 Recommendations made will be incorporated into the draft Revenue Estimates which will be formally presented to Overview and Scrutiny Committee early in the new year.

1.4 Legal Implications

- 1.4.1 The Council's financial rules require that all fees and charges must be reviewed at least once a year and be reported to Members.
- 1.4.2 Members are asked to note the caveats to fee setting explained in paragraph 1.2.2 and in the various annexes.

1.5 Financial and Value for Money Considerations

- 1.5.1 If Members are minded to approve proposals as set out in the attached Annexes, the additional income to be built into **Estimates for 2023/24** would be as follows:

Annex 1 PHEH – £77,600 (*of which £12,000 is used directly to support additional staffing costs in relation to PPA*)

Annex 2 SSLTS – £188,650

Annex 3 Central – £8,350

Annex 4 F&T – £3,700

Total: £278,300 less £12,000 PPA = £266,300

- 1.5.2 Cabinet might also wish to consider whether any increases could be introduced during 2022/23, this financial year, to mitigate the inflationary cost increases. Options for specific service areas are set out within the Annexes. If Cabinet were to take these forward, they will be added to the **Revised Estimates for 2022/23** and will improve the forecast outturn position for 2022/23.

- 1.5.3 Members will appreciate that in forecasting the financial position within the MTFS, a broad assumption about increases in fees and charges is already made. Broadly speaking (although it does vary) the assumed increase was 8%. Members should note therefore that of the Total £266,300 above, if all approved a sum of circa £50,000 can be considered as a contribution to meeting Tranche 1 of the Savings Target.
- 1.5.4 Members will also note a separate report on this agenda from the Director of Finance & Transformation giving an update to the Medium Term Financial Strategy (MTFS). Without straying into the detail of that report, it is worth noting the severity of the financial situation that is facing the Council at this time (in common with the majority of councils). Any improvement in income generation over and above that which is factored into the MTFS already will assist the Council in addressing the escalating financial problems it faces.

1.6 Risk Assessment

- 1.6.1 As part of the review of fees and charges Chief Officers will consider the risks associated with any proposals.
- 1.6.2 Members will note that with the recent escalation in inflation, charges are not presently keeping pace with costs.

1.7 Equality Impact Assessment

- 1.7.1 Dependent upon the options proposed by Cabinet, an Equality Impact Assessment may be needed in specific areas. Should an EQIA be necessary, these would need to be progressed before implementation of the specific proposal.

1.8 Policy Considerations

- 1.8.1 Community

1.9 Recommendations

- 1.9.1 Members are **REQUESTED** to consider the proposed increases set out in Annexes 1 to 4 and to **RECOMMEND** as appropriate.

Background papers:

Nil

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