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| <b>Subject:</b>          | <b>FEES AND CHARGES 2022/23</b>  |
| <b>Meeting and Date:</b> | <b>Cabinet – 17 January 2022</b>   |
| <b>Report of:</b>        | <b>Mike Davis, Strategic Director (Corporate Resources)</b>  |
| <b>Portfolio Holder:</b> | <b>Councillor Chris Vinson, Portfolio Holder for Finance, Governance, Digital and Climate Change</b> |
| <b>Decision Type:</b>    | <b>Key</b>   |
| <b>Classification:</b>   | <b>Unrestricted</b>  |

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**Purpose of the report:** This report has been prepared in order to obtain formal approval for the levels of fees and charges (F&Cs) for the financial year 2022/23. These F&Cs have been included in the preparatory work on the draft budget for 2022/23 and require approval.

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**Recommendations:** It is recommended that Cabinet:

1. Approves the Fees and Charges (F&Cs) for 2022/23 as set out in Appendices 2.1 to 2.14, and 5.1 (with the exception of the S106 Monitoring Fee which has been approved by the Planning Committee) and 5.3.<sup>1</sup>
2. Approves the general principle that fees are set at an appropriate inclusive level, irrespective of VAT status, and that the VAT element within the overall fee level is then determined.
3. Agrees that any F&Cs will be adjusted by Strategic Directors, in consultation with the Portfolio Holders, to comply with any subsequently received government guidelines (when they are received) and any other minor changes made without being the subject of a further report unless they are materially different from current charges or have a material impact on the level of income.
4. Notes the F&Cs approved separately by the Licensing and Regulatory Committees, as set out in Appendices 3 and 4.

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## 1. **Summary**

1.1 The Council's Constitution specifies that F&Cs shall be reviewed annually. In order to meet this requirement the Strategic Directors have been asked to review the F&Cs within their areas of responsibility (see checklist of issues to consider – Appendix 1) and to produce recommended levels for 2022/23. The fees and charges are tabulated in the further Appendices for consideration and/or approval by Members.

## 2. **Introduction and Background**

2.1 The level of Member approval required is dependent upon the types of F&Cs raised. In order to obtain appropriate approval the following reports have been prepared:

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<sup>1</sup> Appendices 5.1 & 5.2 have been reviewed & noted by the Planning Committee which also approved the s.106 Monitoring Fee.

- Licensing Committee  
Report to the meeting on 20 October 2021 of all F&Cs to be set by the Licensing Committee.
  - Regulatory Committee  
Report to the meeting on 7 December 2021 of all F&Cs to be set by the Regulatory Committee.
  - Planning Committee  
Report (for information) to the meeting on 9 December 2021 of all F&Cs relevant to the Planning Committee.
  - Cabinet  
Report to the meeting on 17 January 2022 of all F&Cs, but seeking specific approval of those F&Cs set by Cabinet.
- 2.2 Members are reminded that a framework of broad guidelines to be considered in formulating proposals for F&Cs is in place. This includes a checklist which has been circulated to all Service Directors and to all officers considering F&Cs so that a rigorous and consistent approach is taken. A copy is attached at Appendix 1.
- 2.3 As in previous years, in order to assist Members, the data on F&Cs has been tabulated into a standard format that has been used for Appendices 2 to 5.
- 2.4 The main points to note are set out below.

#### Detail and Narrative

These give a brief summary of the type of service being provided.

#### Set by Government

This indicates whether a charge is statutory or not. If a charge is statutory then it is effectively set by Government and although formal Member approval is still sought, there is little or no scope to make changes.

#### 2021/22 Charge Inc VAT

The charge has been provided inclusive of VAT for two reasons. First, it shows what the customer will actually pay and is therefore more meaningful.

Second, charges for some services, car parking for example, which are not simply a direct recovery of costs, are set at a level, inclusive of VAT, having regard to relevant considerations including market level, where appropriate. The VAT is therefore a deduction from the amount of charge retained by DDC and is not a key factor in determining the appropriate charge. Members are asked to approve this approach.

#### 2022/23 Proposed Charge Inc VAT

This is the recommended charge for 2022/23 and the estimated income will, subject to Members' approval, be included in the 2022/23 budget.

#### 2022/23 Total Expected Income ex VAT

This gives a broad indication as to how much income DDC is expected to receive and has been included to provide Members with a sense of the relative importance of individual charges or group of similar charges. The more significant income streams (generating over £3k) have been highlighted in **bold** type.

In some cases, the level of use is very low, or infrequent, or the service has only recently been introduced and so no level of income has been included.

### Comments

This provides Members with a brief explanation for the change. In some instances guidance is still awaited from Government as to the basis upon which F&Cs should be set. In these cases it has not always been possible to confirm a fee level, Members' approval is sought to enable officers to adopt such fees at or close to government directed levels without a further report.

### 3. **New and Amended Fees and Charges**

3.1 While most of the fees and charges remain consistent to prior years, the following new charges and significant changes have been introduced. The following key has been used in the appendices;

- Green – This is a new fee and/or charge to be approved

- Yellow – This identifies a fee change greater than 5%

- Red – This identifies the proposal to remove a fee and/or charge

### Port Health

3.2 Dover District Council is the Port Health Authority (DPHA) responsible for imported food controls on food that arrives in the UK via the Port of Dover. The Port Health & Public Protection Department are responsible for imported food controls which are referred to as Sanitary and Phytosanitary (SPS) checks.

3.3 As a consequence of the UK voting to leave the EU in 2016, UK Port Health Authorities will be responsible from 1st July, for conducting imported food controls on numerous food stuffs arriving via the EU and Rest of World (RoW). This will see a significant increase in Port Health activities across the UK, but for Dover, the increase in SPS checks required, will see it become the biggest Port Health Authority in the UK, with Defra estimating a minimum of 266,567 consignments requiring documentary checks each year.

3.4 In light of this, the Government, via Defra, have funded start-up costs for the expanded service, which once fully operational, will be able to charge fees for each check it conducts. This will then enable the service to be self-financing.

3.5 However, until the service is fully operational and the trade has settled, it is very difficult to accurately assess the number of checks that will be required and total income that can be expected. With this in mind, we have worked on the following assumptions for the 2022/2023 Fees & Charges:

a) The service will (currently) commence in phases from the 1<sup>st</sup> July 2022, increasing to full inspection capacity on 1<sup>st</sup> November 2022.

b) The target check is 266,567 or monthly checks of 22,214 giving the estimated total volume of 155,497 checks to be conducted for the 9-month period.

c) Staff are in posts and will be conducting 100% checks from 1<sup>st</sup> November up to March 2023.

d) The fee of £56 for each Product of Animal Origin (POAO) - CHED P (Documentary Check, ID, Physical Exam, Sampling Visit) for up to 6 tonnes per consignment.

e) We are not expecting consignments greater than 6 tonnes.

3.6 Based on the above assumptions, we are projecting an income of £8.7m from POAO – CHED-P at £56 each for 155,497 checks from July 2022 to March 2023. Additional estimated fees/charges £33,350 for possible 100 instances of Late-Notification/Non-Compliance Fee/Supervising Destruction/Re-export fee.

### Green Waste

- 3.7 Appendix 2.7, lines 205-206 include the standard green waste collection service fee for new customers and also recognises the impact on the green waste collection service in 2021, providing a reduction in the annual subscription for returning customers for 2022/23.

### Kearsney Café

- 3.8 New fees proposed under appendix 2.6, lines 165-167, for rental of the billiards room at Kearsney Café.

### Self-Build Register

- 3.9 New fees proposed under appendix 2.13, lines 267-268.
- 3.10 Cost recovery charges for verification of applications to the self-build register, checking of annual renewals and the provision of a web portal.

### Private Sector Housing (PSH)

- 3.11 New fees proposed under appendix 2.14, lines 286-29.
- 3.12 To cover the cost of non-statutory work, at the request of owners of property who require advice and an inspection regarding the requirements of HMO licencing. The information is freely available on-line, but a charge will be made where an owner/manager requires an inspection or advice before an application is made.
- 3.13 Details of financial penalties relating to Private Sector lettings in line with the PSH enforcement policy and other statutory requirements (smoke alarms, carbon monoxide monitors, EPCs, etc.).

### Land Charges

- 3.14 Amended fees proposed under appendix 2.11, lines 227-56.
- 3.15 The land charges were due for a review which occur each three years. They have been amended to reflect the cost of the service and as a result reflects similar fees and charges set by other authorities.

### Foreshores

- 3.16 Historically DDC have managed requests to film on land it owns and have charged a flat fee for doing so, which is reviewed annually. Virtually all requests are received via KCC's Kent Film Unit, who promote Kent to the film and television industries. The Kent Film Unit, who already manage requests for a number of Kent districts including Canterbury and Thanet, approached DDC with a similar offer. They would manage the requests in exchange for a 10% management fee. The Kent Film unit have expertise in negotiating favourable deals for large productions, thus increasing overall income to DDC, whilst also providing discounts or waiving fees where appropriate. This arrangement would simplify the customer experience, making it more likely that Dover is chosen as a location. The new arrangements will commence on 1<sup>st</sup> April 2022.

## **4. Other Fees and Charges**

The following F&Cs are not included in this report.

### **4.1 Housing Rents and Service Charges**

Housing rents are approved by the Strategic Director (Corporate Resources) under delegated authority. They are largely prescribed by government and the Council has no real scope to determine rent levels.

Service charges (for both tenants and long term lease holders) are determined through statutorily prescribed consultation processes and the recovery of all allowable costs. As a result the Council has no real scope to determine service charges.

### **4.2 Car Parking**

Car parking fees are the subject of specific reports from the Strategic Director (Operations and Commercial)

## 5. **Identification of Options**

- 5.1 The recommended figures for consideration by Members are included in the Appendices. Members may approve these proposed figures.
- 5.2 Members may propose and approve alternative figures with reasons recorded for their decisions.
- 5.3 Those fees already approved by Licensing and Regulatory Committees are for information only.

## 6. **Evaluation of Options**

- 6.1 The recommended fees and charges take into account the need to maximise income at a time of challenging budget positions, whilst also considering comparable charges at neighbouring authorities and what the market can bear.
- 6.2 Members should also take into account the checklist of issues to consider (at Appendix 1) when reviewing the fees and charges included in the subsequent Appendices

## 7. **Resource Implications**

- 7.1 See Appendices.

## 8. **Climate Change and Environmental Implications**

- 8.1 Fees and Charges do not have any direct climate change and environmental implications.

## 9. **Corporate Implications**

- 9.1 Comment from the Strategic Director (Corporate Resources), linked to the MTFP: Finance have been involved in the production of this report and have nothing further to add. (AT)
- 9.2 Comment from the Solicitor to the Council: The Solicitor to the Council has been consulted in the preparation of this report and has no further comments to make.
- 9.3 Comment from the Equalities Officer: This report does not specifically highlight any equality implications, however in discharging their duties members are required to comply with the public sector equality duty as set out in Section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15/section/149>

## 10. **Appendices**

- Appendix 1 – F&C checklist
- Appendices 2.1 – 2.14 – F&C for which Cabinet approval is sought
- Appendix 3 – F&C to be approved by Licensing Committee
- Appendices 4.1 -4.2 – F&C to be approved by Regulatory Committee
- Appendices 5.1 – 5.3 – Planning application fees

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