

Report to Resources Select Committee

Date of meeting: 13 October 2015

Portfolio: Finance

Subject: Fees and Charges 2016/17

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SCRUTINY



Recommendations/Decisions Required:

That the Committee consider the proposals for the level of fees and charges for 2016/17 and make comments and recommendations as appropriate.

Executive Summary

The report provides information on the fees and charges that the Council levies and what scope if any there is to increase particular charges.

Reasons for Proposed Decision

As part of the annual budget process changes to fees and charges need to be agreed.

Other options for action

Where the Council has discretion on the level of fees and charges that it sets there are many possible options open to the Council ranging between no increase up to applying quite large increases where justifiable.

Report:

1. The Medium Term Financial Strategy earlier on this agenda has identified the need to find savings of £1m over the four year period with £150,000 falling in 2016/17. Having said that the strategy is based on assumed reductions in Government funding of 10% per annum in each of the four years of the strategy and the actual figures will not be confirmed even for 2016/17 until the spending review is concluded later in the autumn.
2. In reality the scope for increased income as a result of increasing fees and charges is relatively limited as regards the General Fund though less so with the Housing Revenue Account (HRA). For example some are set by Government, some have to be based on cost recovery or subject to a maximum, also the possibility of increases putting people off and actually having the opposite effect to that intended have to be considered.
3. Another option is to introduce fees and charges where they are currently not levied though again there are probably fairly limited opportunities in this area.
4. It has also been tradition to use the September Retail Prices Index (RPI) as a guide though in recent years other measures of inflation have such as the Consumer Prices Index (CPI) have been more widely used. The Council also uses a number of other more specialised indices depending on the type of contract or service being procured and with this in mind it felt that the labour inflation rates might be more relevant as employee costs represent the largest element of expenses when carrying out the services for which a charge

is made. The latest figure available is 2.8%.

Communities

5. There are a number of fees and charges made for community and wellbeing activities an increase is proposed to a number of these charges and these are listed at Appendix 1.

6. A review of museum related fees and charges is to be undertaken in readiness for the planned re-opening next March. This review is due to be completed during October if a verbal update on this can be given at the meeting then it will.

7. The Schedule of proposed Housing-Related Fees and Charges for 2016/17 is shown at Appendix 2, which also lists the fees and charges for the current year for comparison. Charges relate to both the Housing Revenue Account and the General Fund.

8. Generally, it is recommended that the majority of fees and charges be increased by 2.8% - rounded up or down as appropriate. The only exceptions to this approach are the following:

Sheltered housing charges and area housing charges

9. There is a separate report earlier on the Agenda from the Director of Communities on a proposed Charging Plan for Housing Related Support (HRS) services, which includes sheltered housing charges. The proposed fees within the Schedule reflect the recommendations within that report.

10. If different decisions or recommendations are made as a result of the earlier report on the agenda, the attached schedule will need to be amended accordingly,

Telecare packages (alarms and up to 4 sensors) and monitoring of alarms for other organisations

11. Again, the earlier report from the Director of Communities on a proposed Charging Plan for Housing Related Support (HRS) services includes telecare charges, and the proposed fees within the Schedule reflect the recommendations within that report.

12. Again, if different decisions or recommendations are made as a result of the earlier report on the agenda, the attached schedule will need to be amended accordingly.

Bed and breakfast accommodation

13. It is not yet possible to include the rates for 2016/17, since tenders from hotels for room charges for the next three years will be sought through a competitive tender process in the Autumn.

Sewerage charges for individual sewerage systems

14. These charges have not been increased, since the contractor has advised that it will not increase its charges to the Council in October 2015 (which the contract allows) and that the October 2014 rates will continue until October 2015.

C.A.R.E gardening service

15. It is proposed to extend the charges for C.A.R.E.'s Handyperson Service to the gardening service which is provided in conjunction with the VAEF.

Priority is given to the initial clearance of gardens that:

- are overgrown such that there is a risk of trips or falls;
- have trees/bushes overshadowing the front door leading to a fear of crime;

- has deteriorated to the state that it leads people to believe the property is unoccupied; or,
- are overgrown such that access by social care, health or other support workers is impeded

In addition, where funds allow, the scheme can be offered to the owners of gardens:

- that fall short of these criteria but are likely to fall into one of the categories if nothing is done;
- the maintenance of gardens that have already been cleared.

The charge (which is in line with the charges for falls prevention and home security work carried out under the Handyperson Service will be £25.50 for a two hour visit. For benefit recipients the first visit will be free of charge.

Governance

16. There are several sources of income to this Directorate, for example, Local Land Charges, Development Control Fees, Pre-application charges and Building Control Fees.

17. Industrial Estate Rents are not subject to annual increases as they are negotiated for a period of time before each lease is entered into. The level at which rents can be agreed is influenced by the general state of the economy and the availability of other properties.

18. The situation regarding Land Charge income is still very uncertain following the introduction of the Local Land Charges (Amendment) Rules 2010. The charge for a full search should be set based on the costs incurred providing the information. Currently fee income has dwindled slightly and it has been noted that fewer searches are coming through. It is not proposed to increase the fees as this might drive more people to do personal searches which are free. The account itself is in deficit due to non chargeable activities and the fact that personal searches are free but there is a cost attached to dealing with enquiries.

19. Development Control fee levels are controlled by Central Government and the levels of income are somewhat dependant on the economic climate and the number and size of planning applications. An exercise was carried out a few years ago aimed at giving some local discretion on charging however this was abandoned. It is hoped that this might be resurrected as it is a while since fees were changed and are likely to be out of step with actual costs incurred.

20. With regard to pre-application charges that apply to major applications, income is buoyant at the moment and the budget has been exceeded substantially. The work required to generate the fee is quite labour intensive and it is felt that an increase is probably appropriate. The existing and proposed fees are shown at Appendix 3.

21. Building Control Fees are income to the ring-fenced Building Control Charging Account and therefore do not affect the General Fund directly. Current fee levels are felt to be reasonable and indeed income levels have improved meaning the account is expected to remain in surplus. An increase in fees is a possible option but the service operates in a competitive environment and this may put potential customers off.

Neighbourhoods

22. The fees and charges relating to neighbourhoods include Car Parking Charges, North Weald Airfield rents and charges, MOT's, various environmental health related charges and Licencing.

23. With regard to Car Parking charges, the recent changes to the fee structure have only just come into effect and it is probably a bit premature to review these again just yet. Once the changes have been in a while and the effect can be measured properly a further review would be appropriate particularly related to weekend charges outside the free period.

24. MOT income is subject to a maximum charge set by the Vehicle Operating Service Agency (VOSA) currently £54.85 The Council's fee is set below this level (£49.00). It is felt that an increase in the fee is likely to see custom move elsewhere so it is proposed that the fee remain at the same level.

25. From 1 October 2015 there was a change to the fee structure for Hackney Carriage and Private Hire drivers licences and operators licences. Drivers licences are to be issued for three years and operators for five years. The fee for the three and five year licences are shown at Appendix 4. It is not proposed to increase any of the taxi related licences next financial year as in line with the Local Government (miscellaneous provisions) Act 1976 these have to be set based on cost recovery. It is proposed to review fee levels next year when the new licence structure has been in place for a while.

26. With regard to other forms of licensing, some fall under the 2003 Licensing Act and this prescribes the level of fee that can be levied. Others though can be varied subject to a maximum level or can be levied on a cost recovery basis. Licence Fees are generally below the prescribed level and do not recover the cost of provision, in some cases quite significantly. It is therefore felt that these should be increased where appropriate. Details of these fees are shown in Appendix 4.

27. There are also a number of Licence fees that the Council needs to set in case an application were to come forward. In most cases these are set at or near to the maximum allowable under the Gambling (Premises Licence Fees) Regulations 2007 and are also found in Appendix 4.

28. A charge is currently made for the collection of bulk waste and the fee varies depending on the number of items being collected. The amount chargeable to the Council for the collection of bulky waste items is specified under the new waste management contract and this plus an admin fee ought to be levied to users of the service the proposed fees are in Appendix 4

29. There are a number of other miscellaneous fees and charges which are made. The proposed fees are also shown on appendix 4

30. The general uplift for fees and charges related to the Leisure Centres is specified as being in line with the retail prices index within the leisure contract. If there is any variance from this the contractor has to agree this with the Council in advance of the increase.

31. Although the Council does not provide a trade waste service itself it does need to ensure that a service is available should traders require it. Currently all traders go directly to service providers and deal with them. If a trader was to come to the Council for such a service the Council would arrange for BIFFA to carry out the trade waste collection at a charge currently of £14.30 per collection it is proposed that this be increase to £14.70. Similarly the fee charged to schools etc. be increased from £9.20 to £9.50.

Conclusion

There are a number of fees and charges made by the Council which in some cases can be increased and in others cannot or an increase cannot be justifiable. The report seeks members views on the level of fees and charges for 2016/17.

Consultations Undertaken

Consultations have been undertaken with various spending officers from directorates.

Resource Implications

Additional Income to the General Fund and HRA.

Legal and Governance Implications

Agreeing the level of fees and charges well in advance of the financial year concerned enables the budget to be prepared on a sound basis and also gives ample time to communicate any increases to the users of the services concerned.

Safer, Cleaner, Greener Implications

The Council's budgets contain spending in relation to this initiative.

Background Papers

Working papers held in Accountancy.

Impact Assessments

Risk Management

With all fees and charges there is a risk that increasing fees could actually reduce total income. It is difficult though to predict the exact effect of a price increase on any particular fee levied.

Equality and Diversity:

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? No

What equality implications were identified through the Equality Impact Assessment process?
None

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?
N/A

Individual Directors will have performed equalities impact assessments on their own services and fees and charges. The main risk in changing fees and charges is the uncertainty over how service users will respond. This makes it difficult to predict the exact budgetary effect of any given change.