

Report to Finance and Performance Management Scrutiny Panel

Date of meeting: 11 November 2008

Portfolio: Finance and Performance Management

Subject: Fees and Charges 2009/10

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Recommendations/Decisions Required:

That the panel consider the policy for increasing fees and charges for 2009/10, and recommends a general increase of 5% to the Finance and Performance Management Cabinet Committee.

Report:

Introduction

1. As part of the budget setting process the level of fees and charges are considered for the forthcoming financial year. The general premise is that fees and charges will be increased by 5% in line with the retail prices index (August 4.8%, September 5%). However where it can be justified a higher increase should be considered. This report is intended to give members an opportunity to comment on those fees and charges proposed for 2009/10.

Leisure and Young People

2. The general uplift for fees and charges is specified as being in line with the retail prices index within the leisure contract, however if there are any exceptional changes to specific charges, these cannot be varied without recourse to the Council. Following a review of officer delegation by Overview and Scrutiny Committee the setting of these charges has been delegated to the Director of Environment and Street Scene. With regard to Cultural and Community Services the setting of charges has been delegated to the Deputy Chief Executive.

Civil Engineering and Maintenance

3. The main fees and charges here relate to car parking. The proposed fee structure for 2009/10 is based on increasing car parking charges to generate an additional 8% and is shown on Appendix 1. This is partly an inflationary increase and partly to recoup some of the investment to be made at Bakers Lane which was the subject of a Cabinet report on 10 November 2008.

Finance and Performance Management

4. Income within this portfolio is in the form of Government Subsidies and investment income. Both of these income sources fall outside the scope of fees and charges.

Corporate Support & ICT Services

5. There are three main sources of income to this Portfolio, Local Land Charges, Licensing and Industrial Estate Rents. The Industrial Estate rents are not subject to annual

increases as they are negotiated for a period of time before each lease is entered into.

6. With regard to Land Charge searches, income levels have suffered significantly due to an increase in personal searches, the introduction of Home Information packs and more recently, the effects of the 'credit crunch'. The government has issued revised draft charging procedures but broadly the methodology for fixing fee levels is based on the recovery of costs for that particular activity. The current fees are £11.00 for a Personal Search and £120.00 for a Full Search. The assessment of the cost of carrying out searches is currently underway however this is unlikely to be concluded until late November and the outcome will inevitably be influenced by the number of searches assumed for 2009/10.

7. With regard to licensing, the Local Government (miscellaneous provisions) Act 1976 allows Authorities to set fees on the basis of reasonable cost recovery in relation to Hackney Carriage Operators and Vehicle Licences. The cost of providing these licences is currently being assessed and again until this is concluded it is felt inappropriate to agree any increase.

8. 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. It appears that some fees relating to Casinos are above this level however we do not levy any of these so they have been returned to the statutory maximum. Other fees are well below this level and it is proposed that a 5% increase be applied. Details of these fees are shown in Appendix 2.

Planning and Economic Development

9. The main income areas within this portfolio are Development Control, pre-application charges and Building Control fees.

10. Development Control fee levels are controlled by Central Government. There has been no indication given regarding fee increases for 2009/10 so far. The government did provide for an increase from 1 April 2008 so it is thought unlikely that a further increase from 1 April 2009 will be sanctioned.

11. With regard to pre-application charges, there has been little take up so far, however a 5% increase is thought reasonable given the amount of officer time taken up dealing with these. The proposed fee is £1,575 an increase from £1,500.

12. Building Control Fees are income to the ring-fenced Building Control Charging Account and therefore do not affect the General Fund. Fees and Charges are currently under budget by around £36,000 (Month 6) however expenditure reduction measures put into place should ensure that the account breaks even by the end of the financial year. Next year the account will be faced by inflationary increases however a full review of costs is being undertaken and is unlikely to be completed before late November. It is therefore proposed that a report be submitted later in the financial year when the position on the ring-fenced account becomes clearer. It is however felt likely that a fee increase of at least 5% from 1 April 2009 will be necessary to bring the ring fenced account into balance.

Environment

13. Fee income is in the form of various Environmental Health and Waste Management related charges it is proposed to increase these by 5% to cover inflation. It is also proposed that a concessionary rate for those of pensionable age be introduced for bulky waste collections as with pest control fees. The proposed fee structure is set out in Appendix 2.

Community Wellbeing

14. There is no income here that falls within the scope of this report.

Housing

15. The Housing Portfolio has a number of fees and charges, most of which relate to income to the Housing Revenue Account. The schedule at Appendix 3 shows the levels proposed for 2009/10. These generally represent an increase of around 5% from the 2008/09 levels.

16. The only variation to this relates to heating charges at the hostel, which it is proposed be increased more substantially to recoup losses previously made.

17. Over recent years there have been substantial increases in heating costs at the Hostel, charged to the Council. At its meeting on 19 November 2007 (minute 30 refers), the Finance and Performance Cabinet Committee were concerned about passing on the full cost of the increase to residents. The Committee therefore agreed that it should be passed on in phases over a three-year period, as this would be a more measured and considerate approach with a review of the situation at the end of each year.

18. The actual expenditure on heating costs for 2007/08 was £19,780 with an income of £15,670. Although the Council cannot anticipate the occupancy of the Hostel during 2009/10 and the numbers of rooms occupied by each resident, the proposed increase, which is in accordance with the decision of the Committee, should meet the shortfall.

Conclusion

The proposed policy for increasing fees and charges for 2009/10 are presented for comment but where applicable are based on an increase of 5%.

Consultations Undertaken

This report has been circulated to Portfolio-holders and is based on information provided by directors. An oral update will be provided to cover any additional comments or information received from Portfolio-holders.

Resource Implications

Additional Income to the General Fund and HRA.

Legal and Governance Implications

Agreeing inflationary increases 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 fee 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

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.