

Report to Finance and Performance Management Scrutiny Panel

Date of meeting: 17 November 2009

Portfolio: Finance and Performance Management

Subject: Fees and Charges 2010/11

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Recommendations/Decisions Required:

That the panel consider the policy for increasing fees and charges for 2010/11, and recommends a general increase of 5% to the Finance and Performance Management Cabinet Committee.

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

In areas where the Council has discretion on the level of fees and charges it can set, there are a number of other possible percentage increases that could be applied. However clearly increases that can be applied would help reduce the level of savings required in order to set an acceptable budget.

Report:

- .1 As part of the budget setting process the level of fees and charges are considered for the forthcoming financial year. The Council is faced with a period of considerable financial uncertainty with Revenue Support Grant settlements from 2011/12 likely to be cut in real terms. There is also less freedom for Authorities wishing to raise additional revenue from fees and charges as more are subject to cost recovery only or Government direction. Against this backdrop it is felt that fees and charges should be increased by 5% where possible. This report is intended to give members an opportunity to comment on those fees and charges proposed for 2010/11.

Deputy Chief Executive

- .2 There are a number of fees and charges within this area such as New Horizons, Sports Development and Lifewalks. It is proposed that the former two be increased by 5% and Lifewalks by 10% as the fee has remained unchanged for a number of years.

Finance and ICT

- .3 Income within this portfolio is in the form of Government Subsidies and Industrial Estate rents. These rents are not subject to annual increases as they are negotiated for a period of time before each lease is entered into.

Corporate Support Services

- .4 There are two main sources of income to this Portfolio, Local Land Charges and Licensing Fees.
- .5 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 the effects of the 'credit crunch'. The fee for a Full Search was reduced last year as it is now based on the recovery of costs for that particular activity and the budget was reduced accordingly. The current fees are £11.00 for a Personal Search and £100.00 for a Full Search. The Personal Search fee is increasing to £22.00 from 1 January 2010 and the re-assessment of the cost of carrying out full searches is currently underway. There is not expected to be any significant change to the level of fee as a result of this review.
- .6 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. With regard to vehicle and operator licences it is proposed to freeze these at 2009/10 levels to avoid over recovery of costs but with drivers licences and other related charges an inflationary increase is proposed.
- .7 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. Where fees are below this level it is proposed that a 5% increase be applied. Details of these fees are shown in Appendix 2.

Planning and Economic Development

- .8 The main income areas within this portfolio are Development Control, pre-application charges and Building Control fees.
- .9 Development Control fee levels are controlled by Central Government. There has been no indication given regarding fee increases for 2010/11 so far. It has therefore been assumed that, given the current economic climate, an increase will not be allowed.
- .10 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 £1,650, an increase from £1,575.
- .11 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 £64,000 (Month 6) however the Council has recently won a contract with the Bank of England worth at least £60,000 and with the expenditure reduction measures put into place this should ensure that the account breaks even by the end of the financial year.
- .12 The Government has been conducting a review of the charging regime and accounting arrangements surrounding Building Control and has issued a consultation paper. The proposal is to link fee levels more closely to actual costs incurred by an Authority in monitoring the works rather than linking the fee level to the cost of the works themselves. The rationale behind this is that some quite expensive works might be fairly straight forward and require little Building Control input where as less expensive more complicated works would probably require more input. There is still an emphasis on fee setting based on cost recovery but the ring fenced nature of the account may well go. The consultation was due to finish by the end of September but as yet no announcement has been made and there is some doubt whether the proposed start date of 1 April 2010 can now be met. Given the situation at the moment it is probably too early to make a decision regarding any increase and later in the budget process things will become clearer.

Environment and Street Scene

- .13 Members have previously indicated that they wish to see Pay and Display Parking charges frozen at 2009/10 levels therefore the schedule shows the fees as unchanged.
- .14 Other fee income is in the form of various Environmental Health and Waste Management related charges. It is proposed to freeze business related charges and apply an increase of between 2.5% and 5% to others. The proposed fee structure is set out in Appendix 1.
- .15 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, however if there is any exceptional changes to specific charges, these cannot be varied without recourse to the Council.

Housing

- .16 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 2010/11. These generally represent an increase of around 5% from the 2009/10 levels.
- .17 The only variation to this relates to a couple of minor £10 charges that it is proposed remain unchanged as shown in the appendix.

Conclusion

The proposed policy for increasing fees and charges for 2010/11 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.