

Report to Finance and Performance Management Scrutiny Panel



**Epping Forest
District Council**

Date of meeting: 20 November 2012

Portfolio: Finance and Technology

Subject: Fees and Charges 2013/14

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Committee Secretary: Adrian Hendry (Ext 4246)

Recommendations/Decisions Required:

That the Panel consider the proposed increases to fees and charges for 2013/14, and note that the September Retail Prices Index increase (2.6%) has been used as a guide.

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

There are a number of areas 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 to any fees at all up to applying quite large increases where possible. However the proposals in this report are felt to be the most appropriate at this time.

Report:

- .1 As part of the budget setting process the level of fees and charges are considered for the forthcoming financial year. The recent Medium Term Financial Strategy identified the need for General Fund net savings of £250,000 in 2013/14 and any additional income from Fees and Charges referred to in this report will assist in achieving that target.

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 these be increased by 2.6%. The rate of inflation as measured by the retail prices index in September.

Finance and ICT

- .3 Income within this Directorate is primarily in the form of Government Subsidies related to Housing Benefit Expenditure and as such is outside the scope of fees and charges.

Corporate Support Services

- .4 There are several sources of income to this Portfolio, Industrial Estate Rents, Local Land

Charges, income from MOT's and Licensing Fees.

- .5 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.
- .6 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. The current costs are broadly in line with the fee charged. 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.
- .7 MOT income is subject to a maximum charge set by the Vehicle Operating Service Agency (VOSA). The Council's fee is set below this level and it is felt that this has generated additional trade. The fee is usually increased by a similar amount when the VOSA increase the maximum. However given the reductions in income seen it is felt an increase may well be counter productive.
- .8 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. It is proposed that these charges be frozen at current levels.
- .9 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 1.
- .10 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 found in Appendix 3.

Planning and Economic Development

- .11 The main income areas within this portfolio are Development Control, pre-application charges and Building Control fees.
- .12 Development Control fee levels are controlled by Central Government. It has been announced that an increase of 15% is proposed in recognition of the inflation experienced since 2008 when fees were last increased. It is not clear when this change will be implemented.
- .13 With regard to pre-application charges that apply to major applications, it is proposed that these be left at current levels. Take up has improved this year and the budget of £6,000 set has been exceeded by around £10,000 already.
- .14 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 the account is expected to end up around break even. The account holds a cumulative surplus at the end of March 2012 was around £94,000 and given that the account will still be in surplus by the end of March 2013 and that the section work in a competitive environment it is felt an increase at this time would be counter productive.

Environment and Street Scene

- .13 The level of Car Parking fees is currently under review with particular emphasis on looking at longer stay charges. A full report on Parking Fees is proposed and they are therefore excluded from this exercise.
- .14 Other fee income is in the form of various Environmental Health and Waste Management related charges. It is proposed to apply an increase to these particularly as in the case of bulk waste collections the cost to the Council will increase as the contract price increases annually. The proposed fee structure is set out in Appendix 1. The Council no longer operates a pest control contract and members of the public deal with whichever contractor they wish directly. There are therefore no longer any fees and charges to review.
- .15 There is also a need to set the fee for Zoo Licences as again there needs to be a fee in place should any application come forward. The proposed fee is shown on appendix 1
- .16 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.
- .17 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 SITA to carry out the trade waste collection at a charge currently of £13.00 per collection it is proposed that this be increased to £13.50. Similarly the fee charged to schools etc. be increased from £8.00 to £8.50.

Housing

- .18 The Schedule of proposed Housing-Related Fees and Charges for 2013/14 is shown at Appendix 2, which also lists the fees and charges for the current year for comparison.
- .19 Generally, it is recommended that the majority of fees and charges be increased by RPI of 2.6% - rounded up or down as appropriate. However, in view of the current economic conditions and the hardship faced by many residents at present, the Housing Portfolio Holder wishes to recommend to the Cabinet Committee that a number of Housing-Related Fees and Charges be frozen for 2013/14. Those charges which the Housing Portfolio Holder recommends be frozen for next year are shaded grey on the attached schedule.
- .20 There are also a couple of charges that are recommended to remain at the same, rounded, amount for administrative ease (i.e. the file copying charge and the charge for dishonoured cheques).

Conclusion

Where it can be justified some increases are proposed with 2.6%, the September RPI figure, being used as a guide. However there are increasingly regulations in certain areas preventing this course of action. The expected additional income to the General Fund and Housing Revenue Account as a result of this will be reported at the meeting.

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 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

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.