

# AGENDA



For a meeting of the
<b>RESOURCES POLICY DEVELOPMENT GROUP</b>
to be held on
<b>FRIDAY, 2 NOVEMBER 2012</b>
at
<b>2.30 PM</b>
in
<b>WITHAM ROOM, COUNCIL OFFICES, ST. PETER'S HILL, GRANTHAM. NG31 6PZ</b>
Beverly Agass, Chief Executive

Group Members:	Councillor Jean Bevan, Councillor Michael Cook, Councillor Nick Craft (Chairman), Councillor Phil Dilks, Councillor Bob Sandall, Councillor Trevor Scott (Vice-Chairman) and Councillor Jacky Smith
Portfolio Holders:	Councillor Teri Bryant (Portfolio: Good Housing) Councillor Mike Taylor (Portfolio: Strategic Resources – Well Run Council)
Support Officer:	Jo Toomey                      Tel: 01476 40 61 52 E-mail: <a href="mailto:j.toomey@southkesteven.gov.uk">j.toomey@southkesteven.gov.uk</a>

**Members of the Group are invited to attend the above meeting to consider the items of business listed below.**

**1. COMMENTS FROM MEMBERS OF THE PUBLIC**

To receive comments or views from members of the public at the Group's discretion.

**2. MEMBERSHIP**

The Group to be notified of any substitute members.

**3. APOLOGIES**

**4. DISCLOSURE OF INTERESTS**

Members are asked to disclose any interests in matters for consideration at the meeting.

**5. ACTION NOTES FROM 4 OCTOBER 2012**

**(Enclosure)**

**6. UPDATES FROM PREVIOUS MEETING**

- Cycle centre (Property Development Manager)
- Grounds maintenance issues (Community Engagement and Policy Development Officer/Principal Democracy Officer)

**7. FEEDBACK FROM THE EXECUTIVE**

**8. FEES AND CHARGES**

Report number HOF210 by the Head of Finance presented by the Strategic Director – Corporate Focus. **(Enclosure)**

- Development Management Service Manager – pre-application advice
- Property Development Manager – car parking
- Waste and Recycling Service Manager – green waste/bulky waste/MOTs

**9. ANY OTHER BUSINESS, WHICH THE CHAIRMAN, BY REASONS OF SPECIAL CIRCUMSTANCES, DECIDES IS URGENT.**

## MEETING OF THE RESOURCES POLICY DEVELOPMENT GROUP

THURSDAY, 4 OCTOBER 2012 2.30 PM



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### GROUP MEMBERS PRESENT

Councillor Bob Adams  
Councillor Michael Cook  
Councillor Nick Craft (Chairman)

Councillor Bob Sandall  
Councillor Jacky Smith

### OFFICERS

Strategic Director, Corporate Focus  
(Daren Turner)  
Head of Finance (Richard Wyles)  
Head of Community Assets (Paul  
Stokes)  
Development Management Service  
Manager (Pat Reid)  
Environmental Health Services Manager  
(David Price)  
Community Safety and Licensing Service  
Manager (Mark Jones)  
Community Engagement and Policy  
Development Officer (Carol Drury)  
Principal Democracy Officer (Jo Toomey)

### PORTFOLIO HOLDER

Councillor Mike Taylor (Strategic  
Resources – Well Run Council)

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### 19. MEMBERSHIP

The PDG was notified that Councillor Adams would be substituting for Councillor Scott for this meeting only.

### 20. APOLOGIES

An apology for absence was received from Councillor Bevan.

### 21. DISCLOSURE OF INTERESTS

No interests were disclosed.

## 22. ACTION NOTES FROM 2 AUGUST 2012

The action notes from the meeting held on Thursday 2 August 2012 were agreed as a correct record and noted.

## 23. UPDATES FROM PREVIOUS MEETING

### Council owned/leased properties

A councillor who had attended Governance and Audit Committee on 25 September 2012 advised members that internal audit had identified a red category risk in respect of council owned/leased buildings. He particularly highlighted a recommendation stating that a register should be kept of all the council's leases and their end dates.

### Street cleaning in Stamford

At its meeting on 2 August 2012 the PDG asked for further information on an additional income stream identified for street cleaning in Stamford. An electronic update was provided to members of the PDG after the meeting.

### Budget monitoring information and outturn summary

Issues regarding the presentation of information in the financial update report were incorporated in the report for consideration at agenda item 10 (minute 27).

### Utilities supplier

The Head of Community Assets had made initial enquiries with Procurement Lincolnshire about the possibility of identifying a single supplier for gas and electricity in council properties. A small number of authorities, including Peterborough and Cheshire had pursued this. It would not be possible to impose a supplier on existing tenants but it could be included in new tenancy agreements. Any single provider could be advertised to existing tenants with a package that might be attractive to them. Councillors recognised that a larger contract that secured good rates for tenants could help reduce fuel poverty.

PDG members also discussed the potential of using a single supplier for other council-owned buildings. Councillors noted that businesses were often tied into contracts for two or three years, but suggested that a package offered by a common supplier could be advertised to them for consideration when they looked to renew their arrangements.

### ***Action point***

- 1. The Head of Community Assets to continue to investigate opportunities for identifying a single utilities supplier.***

**2. The Head of Community Assets to speak to the Property Development Manager to identify opportunities of using a single utilities supplier for other council-owned buildings.**

Car parking update including financial modelling

Modelling work had been undertaken on the provision of two-hours free parking based on a scheme by North Kesteven District Council. The PDG received a summary of this work and agreed that the scheme would not work in the district because of the differences in the car parking offer.

The PDG agreed to defer further consideration of car parking charges until an additional meeting on 2 November 2012, when they would receive a report from the Communities PDG's strategic car parking review. Members noted the approval of funding from the Communities PDG support fund for on-the-ground work in Stamford to prepare for the introduction of civil parking enforcement and any residents' parking schemes.

**Action Point**

***The Property Development Manager to present the outcome of the Communities PDG strategic car parking review to the Resources PDG on 2 November 2012.***

Repairs and maintenance budget

The PDG asked for details of the variance in the repairs and maintenance budget. This had been clarified and incorporated in the budget monitoring report (HOF208).

Meres leisure centre – variance

The 102% variance reported in the outturn summary in respect of the Meres Leisure Centre. This was a result of a downward revaluation by the district valuer and the lengthening of the life of the asset.

Pre-application advice service – development management

The Development Management Service Manager circulated a paper which summarised proposals for the introduction of a charge for pre-planning advice service. The paper listed scales of charges and charging methodologies used by other authorities.

Some of the risks of charging for pre-application advice were highlighted for members' attention: income might not meet budgeted levels if developers chose to bypass the service. There was also a possibility that the quality of applications could deteriorate if the charge deterred applicants from seeking advice; this could result in officers spending more time going back to applicants

to get the quality of their submissions to an acceptable level. Councillors recognised that any pre-application advice charges would need buy-in from the development management team. PDG members also felt that when an application was not of suitable quality, the planning team should advise them to resubmit instead of chasing them for additional information.

The consensus was that any charge that was introduced should apply to commercial developments. Discussion ensued over whether residents should be charged for pre-application advice. Some authorities charged a £50 fee for advice to residents, with a £25 rebate if the application was submitted incorporating all the advice given. To assist the PDG in its consideration of possible scales of charging and charging methodologies, the Development Management Service Manager was tasked to carry out further work and report back at the PDG's next meeting.

Councillors also considered whether a charge should be made for listed building applications. There was general support for this principle.

***Action Point:***

***For the PDG meeting on 2 November 2012:***

- 1. The Development Management Service Manager should model the amount that would have been made from charging for pre-application advice based on planning history.***
- 2. The Development Management Service Manager should model and consider potential incentives to householders seeking pre-application advice if a charge was to be made.***

**24. FEEDBACK FROM THE EXECUTIVE**

The Portfolio Holder for Strategic Resources and Well Run Council informed the panel that the recommendations they had made in respect of the localisation of council tax benefit were accepted by Cabinet, with an amendment, which was the result of a technical change in government guidance on splitting discount periods.

The recommendations made by the PDG in respect of the draft Fees and Charges Strategy had been accepted.

**25. CYCLE CENTRE**

At previous meetings, PDG members had requested information on the cycle centre in Grantham. Pending the collection of this information, the PDG recommended that the facility be advertised immediately. When information was available, the PDG would consider making recommendations about the cycle centre's use.

### **Action Point**

1. ***The Property Development Manager arrange for the marketing of the cycle centre in Grantham with immediate effect.***
2. ***That a full report be provided to the PDG on the use of the cycle centre.***

## **26. FEES AND CHARGES IMPLEMENTATION**

The Head of Finance gave a brief presentation on fees and charges, following a workshop that had been held for Service Managers. The presentation highlighted the proposed charging principles for some of the council's key chargeable services. The presentation suggested that councillors might like to consider price differentiation between all markets based on occupancy levels and also highlighted the pending review of the bulky waste service charge. Councillors suggested that residents may be prepared to pay an increased fee for the collection of bulky goods if a specific time could be arranged. Some concern was expressed that any increase in the bulky waste charge could increase the risk of fly-tipping although it was recognised that there was no evidence of this nationally where higher charges are in place.

The Environmental Health Service Manager and the Community Safety and Licensing Service Manager summarised the work their services had undertaken as part of the fees and charges review.

In Environmental Health the majority of services were statutory, which made charging difficult. Charges were considered against three criteria: those services with no charge, those where the charge was below the average and those where no service was offered. A review of charges had been undertaken approximately two years previously to ensure cost-recovery. Other fees highlighted in Deloitte's report were not considered appropriate as there was no recent history of certain service aspects being used, handling of charges for some services would be greater than providing a service free of charge, or it was a service the council had made a decision to contract out.

Councillors asked whether a review had been undertaken to find out whether it would be a cost-effective alternative to bring a pest control service back in-house. It was not clear whether there was sufficient demand to support the employment of two staff (to ensure holiday cover) to make the service viable.

The fees and charges applied by the licensing team were also assessed against the three criteria. As a result, it was proposed that charges identified by the benchmarking exercise for services that were not provided should not be introduced at this time. It was further proposed that nominal charges be made for some services that were currently provided free of charge, while several fees relating to animal licensing and shop licensing be increased in increments from £87 to £100 over two years.

Officers and the PDG considered a possible incentive in the licensing charge for LPG Bio Diesel taxi/private hire vehicles; this received some support but was identified as a longer-term opportunity.

***Recommendation:***

***The Resources PDG recommends that the proposed fees and charges for Environmental Health Services and Community Safety and Licensing be approved.***

***Action point:***

***All Fees and charges work undertaken by service managers in respect of council services are to be presented to the PDG at its meeting on 2 November 2012.***

**27. BUDGET MONITORING**

Report number HOF208 by the Head of Finance summarised actual spend against the budget and the forecast outturn position as at 31 August 2012.

An underspend of £331k was currently forecast against the general fund revenue account. Key variances included the Olympic festival and torch relay events, which were identified as part of the outturn and funded through the priority reserve. Market rights had been renegotiated in respect of Grantham market which resulted in an annual saving of £5,000 for the next three years. Ticket sales at the Guildhall Arts Centre were also forecast to be greater than the budgeted level.

The organisation had a workforce efficiency target of 3%, which was expected to be achieved through staff turnover. The arts centres had no vacancies and were not forecasting to achieve this target. However, this should be offset by other service areas exceeding the target. Savings had been achieved at senior manager level through salary sharing arrangements with other authorities.

Grantham market was showing an overall reduction, which was attributed to adverse weather in the first quarter and disruption as a result of the Westgate improvement works. It was anticipated that trading levels would return following the completion of the work.

Development and Growth and land charges both forecast an increase in income, while building control income was lower than the budgeted level. Work was underway to stabilise this level by increasing charges.

The CCTV service was exploring operational changes to reduce costs (without reducing the level of services); it was possible this project would not be completed in-year.

Income for the green waste scheme was higher than budgeted, however recycling credits reduced by 7.7% due to tonnages being down against the budgeted level and an increase in the contamination rate.

Councillors asked whether some of the savings made within waste and recycling could be used to supplement grounds maintenance provision. Several members reported an increase in the number of weeds, together with overgrowing trees and verges. It was suggested that the issue be referred to the Scrutiny Committee for their consideration and onward recommendation to Lincolnshire County Council.

***Action point***

***The issue of over-grown weeds in pavements and grounds maintenance issues relating to overgrown trees and grass verges be referred to the Scrutiny Committee for its consideration.***

The variance to the forecast position of the Housing Revenue Account was modest; there were no material changes. The overall efficiency target was forecast to be met and the void rate of 1.3% was within the budgeted level (1.5%).

Some slippage had been experienced in the delivery of the capital programme. Financing for the station approach and business incubation centre projects would roll into 2013/14. The full budget for the shop front scheme was projected to be spent. Bourne Community Access Point was due to be operational by March 2013 and the Bourne Core Area project was advancing with the first phase being completed by January 2013.

The HRA Capital programme experienced variances in respect of refurbishment works and a helpline software system upgrade which was not required following the transfer of the call centre to City of Lincoln Council.

The headcount showed a variance of 18.5 below the budgeted level of 626.1.

***Action Point***

***The Head of Finance to circulate an explanation for the variance in staffing levels for Community Safety and Licensing, which exceeded budgeted levels.***

**28. WORK PROGRAMME**

A copy of the PDG's work programme was circulated for the information of members. The work programme provided an updated position on the outcomes of PDG recommendations together with future items for the PDG's consideration. This was noted.

**29. CLOSE OF MEETING**

The meeting was closed at 16:35.

## REPORT TO RESOURCES PDG

**REPORT OF: HEAD OF FINANCE**

**REPORT NO: HOF210**

**DATE: 2nd November 2012**

<b>TITLE:</b>	<b>FEES AND CHARGES PROPOSALS 2013/14</b>	
<b>KEY DECISION OR POLICY FRAMEWORK PROPOSAL:</b>	None	
<b>PORTFOLIO HOLDER: NAME AND DESIGNATION:</b>	Cllr Mike Taylor Assets and Resources Portfolio Holder	
<b>CONTACT OFFICER:</b>	Richard Wyles, Head of Finance <a href="mailto:r.wyles@southkesteven.gov.uk">r.wyles@southkesteven.gov.uk</a> 01476406210	
<b>INITIAL IMPACT ASSESSMENT:</b>	Carried out and Referred to in paragraph (7) below:	Full impact assessment Required:
<b>Equality and Diversity</b>		No
<b>FREEDOM OF INFORMATION ACT:</b>	This report is publicly available via the Your Council and Democracy link on the Council's website: <a href="http://www.southkesteven.gov.uk">www.southkesteven.gov.uk</a>	
<b>BACKGROUND PAPERS</b>		

### 1. RECOMMENDATION

Resources PDG is asked to consider the proposed fees and charges for 2013/14 and make the following specific recommendations to Cabinet:

- Markets – inflationary increase only
- Bus stations – no inflationary increase
- Grantham cycle centre – no inflationary increase
- Arts centres – inflationary increase only
- Corn Exchange – inflationary increase only
- Licensing – increase in line with achieving service breakeven
- Outdoor recreation – inflationary increase only
- Grantham cemetery – inflationary increase only
- Green waste collection – no inflationary increase
- The consideration of the introduction of a new charging structure in with respect to planning advice

- Consideration of new tariffs for car parking in response to the car parking strategy findings undertaken by Communities PDG

## **2. PURPOSE OF THE REPORT**

The fees and charges proposals for 2013/14 have been compiled by the Resources PDG and need to be taken into consideration as part of the budget compilation for the 2013/14 budget framework.

## **3. DETAILS OF REPORT**

The Resources PDG have been reviewing fees and charges as a key element of their 2013/14 workplan and have worked alongside Deloitte and officers to undertake an income review benchmarking study which compared fees and charges across a number of east midlands councils. This review has also given exposure to over 50 local authorities charging regimes outside of the geographical boundaries of the east midlands.

This review has led to an updated fees and charges strategy which was approved by Cabinet at its meeting on 1<sup>st</sup> October 2012. The main headings of the framework are:

Approaches to fees and charges setting:

- A clear corporate charging policy
- Clarity over full cost or subsidy level (defined as £ per head)
- A perspective on fairness in charging
- Adopting a more commercial approach to fee setting

Proposed framework for charging

- Recovery of cost
- Concessions for certain service users
- Identifying new opportunities for charging
- Contribution to corporate priorities
- Annual review of charges

Service managers have been utilising the framework and the benchmarking toolkit to undertake a fundamental review of the current published fees. Specifically the focus of the work focussed on:

- Services that are currently provided free of charge where other authorities are charging
- Services not currently provided that other authorities are providing and charging for
- Services where the Council is charging a lower rate than the benchmark

This review will continue in 2013/14 with further proposals being considered as part of the medium term financial planning.

Specifically the initial outcome of the review work has identified the following new charge proposals:

Pre-planning charging – the benchmarking analysis revealed a number of authorities including Lincolnshire, have introduced a charge for providing pre-planning advice. A system of charging for pre-planning advice helps to reduce the number of speculative enquires and helps provide customers with a quality service that provides them with the assurance that the application, once received, will process in a timely fashion and without unnecessary delays. The introduction of the charge also establishes the principle that the cost of the service should be met from the customer directly receiving the service rather than the wider taxpayer. This principle is a core element of the newly adopted fees and charges strategy.

There has been no evidence that introducing such a charge will have a detrimental impact on developers wishing to engage with the Council in bringing forward development opportunities. Indeed, anecdotal evidence supports the view that developers will actively support a charge regime knowing that the service that is received is a quality professional service.

The charging proposals include a distinction between householder development (such as alterations, extensions and construction of outbuildings) and larger developer led developments.

For householder developments it is recognised that the householder will in the majority of cases employ a specialist agent to deal with the application on their behalf. Therefore the proposal is to charge a £50 rate for any pre-planning advice that is undertaken of which 50% of the charge will be refunded should the application be received that incorporates all of the advice that has been given. In the event that the advice is ignored or discounted then no refund will be applied.

In respect of all other pre-planning advice the following charges are proposed (these charges are derived from detailed benchmarking analysis):

- Non-residential changes of use including siting or caravans for sites under 1 ha or buildings under 1,000 sqm (gross) - £150
- Non-residential changes of use including siting of caravans for sites or 1 ha or above or buildings of 1,000 sqm or above (gross) - £300
- Development of 1-9 dwellings including changes of use to residential - £200 for 1<sup>st</sup> dwelling and £100 for each additional dwelling
- Development of 10-49 dwellings including changes of use to residential - £1,000 for the 10<sup>th</sup> dwelling and £50 for each additional dwelling
- Non-residential development where no floorspace is created - £75
- Non-residential development up to 499sqm floor area or 0.5ha site area - £150
- Non-residential development between 500 and 999 sqm floor area, or between 0.51ha and 1.0ha - £250

- Non-residential development between 1,000 and 4,999 sqm floor area or between 1.1ha and 2.0ha - £500
- Non-residential development between 5,000 sqm or more or 2.1ha or more - £1,000 minimum fee for specified service and hourly rate thereafter
- Variation or removal of condition - £75
- Advertisements - £75
- Development that would require conservation area consent – no charge
- Non-householder works or alterations to a listed building – no charge
- Hazardous substances – no charge

With respect to Community Safety and Licensing, further work has been undertaken with respect of the current charging structure and a review of the underlining cost drivers for each of the service activity has been done. This has led to a proposed increase in the following charges:

Charging heading	2012/13 charge	2013/14 charge
Animal licensing related fees	£87	£95 (increasing to £100 from 2014/15)
Taxi/Private Hire – LPG, Bio diesel	N/A	10% discount on published fees
<u>Services currently provided free of charge</u>		
Taxis – transfer of ownership	Free	£23
Taxi licensing – replacement of internal badge	Free	£5
Taxi licensing driver – DVLA driving entitlement enquiry	Free	£5
Taxi licensing – replacement licence certificate	Free	£10

Corn Exchange – the new financial year will see the opening of the Community Access Point at the Corn Exchange with the remainder of the centre providing function room and kitchen hiring facilities. The costs of providing these different services will be

separately identified and the new fee structure will be based on the service offer and the existing published charges with inflation applied.

Bus stations – benchmarking with neighbouring authorities has identified the current charges are proportionally greater whilst only offering limited facilities. This is causing concern and could create an adverse response for the future operation of the sites if not kept under review. A continuation of a freeze on an increase for 2013/14 would assist with addressing the situation.

Green waste charging – during 2012/13, the Council approved the introduction of a green waste collection contribution fee of £25 for an annual collection service. This has proven particularly successful with over 24,000 customers paying for the green waste service. In order to allow the service to continue to deliver a quality service and reach a breakeven financial position, it is not proposed to increase its collection charges for next financial year.

In all other respects, charges are proposed to increase in line with inflation (RPI as at September 2012 at 2.6%).

#### **4. OTHER OPTIONS CONSIDERED**

N/A

#### **5. RESOURCE IMPLICATIONS**

The fees and charges are compiled as part of the budget setting process.

#### **6. RISK AND MITIGATION (INCLUDING HEALTH & SAFETY AND DATA QUALITY)**

N/A

#### **7. ISSUES ARISING FROM EQUALITY IMPACT ASSESSMENT**

This will be considered as part of the introduction of the changes in fees and charges.

#### **8. CRIME AND DISORDER IMPLICATIONS**

None

#### **9. COMMENTS OF FINANCIAL SERVICES**

Financial considerations are included in the report.

#### **10. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES**

The Council has the power to charge for the delivery of discretionary services in accordance with s.93 of the Local Government Act 2003. The power to charge is

available provided the income received does not exceed the cost of the provision of the service.

**11. APPENDICES:**

None