

# 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