

# REPORT TO CABINET

REPORT OF: CORPORATE HEAD OF FINANCE AND CUSTOMER SERVICES

REPORT NO.: CHFCS04

DATE: 1 December 2008

<b>TITLE:</b>	FEES AND CHARGES PROPOSALS 2009/10
<b>FORWARD PLAN ITEM:</b>	Yes
<b>DATE WHEN FIRST APPEARED IN FORWARD PLAN:</b>	October 2008

<b>KEY DECISION OR POLICY FRAMEWORK PROPOSAL:</b>	KEY DECISION	
<b>COUNCIL AIMS/ PORTFOLIO HOLDER NAME AND DESIGNATION:</b>	COUNCILLOR MRS SPENCER-GREGSON O.B.E.	
<b>CORPORATE PRIORITY:</b>		
<b>INITIAL IMPACT ASSESSMENT:</b>	<b>Carried out and appended to the report:</b> Yes	<b>Full impact assessment required:</b>
<b>Equality and Diversity</b>	Undertaken as part of the strategy	
<b>Crime and Disorder</b>	N/A	
<b>Risk</b>	N/A	
<b>Climate Change</b>	N/A	
<b>Health and Safety</b>	N/A	
<b>Data Quality</b>	N/A	
<b>FREEDOM OF INFORMATION ACT:</b>	This report is publicly available via the Local Democracy link on the Council's website: <a href="http://www.southkesteven.gov.uk">www.southkesteven.gov.uk</a>	
<b>BACKGROUND PAPERS:</b>	None	

## **1. Introduction**

The fees and charges proposals for 2009/10 have been compiled in accordance with the Council's Fees and Charges strategy and are appended to this report. These will also be taken into consideration as part of the budget compilation for 2009/10.

## **2. Recommendation**

Cabinet is asked to approve the attached proposed set of fees and charges for the appropriate consultation prior to their inclusion into the budget for 2009/10. The budget proposals will be submitted to Council for approval in March 2009.

## **3. Details of Report**

The Resources PDG has established a working group to fully consider the fees and charge proposals for the forthcoming year. This has been particularly effective this year as the PDG has been fully involved in the formation and compilation of the Fees and Charges strategy (agreed by Cabinet at its meeting on 3 November 2008). The meeting consisted of officers for the relevant areas presenting their proposals to members and being asked to clarify the policy and basis for the proposals. The outcome of these discussions is summarised below and the details of the proposals are appended to this report. The attached appendix also details the previous years charge, the effective date of the new charge and the VAT treatment. The key outcomes are:

Building Control – the current economic climate is having a detrimental effect on the types of applications being received. The number of applications for large scale developments are reducing but schedule 2 type applications (small domestic dwelling extensions) are increasing. This has the effect of reducing the overall income levels for the service which is proving a challenge for the service as it attempts to deliver a breakeven service. From the income perspective the proposal is to apply (as a minimum) an inflationary increase to the charges (having regard to the competitive environment in which it operates). These proposals are currently being developed and modelled by the service manager and Corporate Head and so are not appended in the report.

Development Control – these are statutory set by central government and no increase is expected for the forthcoming year.

Local Land Charges – there are a number of proposals with respect to the local land charges. These are appended to the report. The principles behind the level of fees to be set are based on service cost recovery over a three year cycle and have been benchmarked with neighbouring authorities. The increases in existing charges (where locally determined) are above the level of inflation in order to meet the basis of cost recovery for the service. In addition to this, two new charges have been proposed for searches for commercial companies and an additional charge for expedited searches (in addition to the standard charge) for a three day turnaround.

Car parking charges – Members will be aware that car parking income is forecast to be 21% less than budget (approx. £327K). It is anticipated this will continue in 2009/10 and the budgets will need to be reduced accordingly. In accordance with Council policy, the fees will not be increased for 2009/10 but an increase will be budgeted for 2010/11. The Working Group has suggested three proposals in respect of the current car parking arrangements namely:

- Blue badge holders are restricted to 3 hour free parking (the current policy is free unlimited parking). This will assist a greater turnover of designated disabled parking spaces.
- Concern was expressed regarding the utilisation of the new multi-storey car park at Welham Street Grantham. The current tariff structure does not encourage short stay use as the minimum purchase is 3 hours. It was proposed to introduce a short stay tariff structure at the lower levels to encourage short stay use whilst maintaining a long stay tariff structure at the upper levels. This should also have a positive impact on the forecast income level for 2009/10. However careful signage will need to be introduced to assist the user and avoid confusion with this two tier charging proposal.
- Season tickets – the working group suggested incentivising the sale of season ticket sales by offering greater discounts for bulk purchasing. The detail of this proposal is shown at the appendix.

Bus stations – whilst the working group acknowledged the current departure fee (paid by the operators) is low and does not recover the costs of operating the bus stations concern was expressed that a significant increase could have a detrimental impact on usage by the operators which would ultimately cause difficulties for the customers. Therefore it is proposed to phase a period of increases over a three year period in order to achieve a breakeven position. A further area for investigation is to enforce the waiting time of buses and coaches at the bus station in order to ensure the availability of the waiting areas.

Helpline charges – inflationary increase in line with expenditure

Market Charges – although the service is forecast to make a deficit (in the current financial year) the working group did not propose an increase for the second year running. This proposal is supported by the independent market review that suggests the current rates are higher than neighbouring towns. The working group supports the current review which is considering alternative pop up stalls which would lead to a reduction in the associated expenditure.

Arts Centres and Corn Exchange – the current proposals are for inflationary increase only in respect of the published fees and charges. This increase is predominately in respect of room hire and bookings. However the Corporate Head and service manger are currently reviewing the opportunities for greater

income generation for all three venues as part of a comprehensive review. This is being supported by external consultants who have provided advice on opportunities for maximising the utilisation of the venues.

Licencing charges – inflationary increases have been proposed on a cost recovery basis for the relevant areas. Elsewhere statutory charges apply.

Grantham Cemetery charges – an inflationary increase has been proposed on a cost recovery basis. The working group considered the current policy of doubling the published charges for residents living outside of the Grantham boundary. Whilst it was acknowledged that this policy was introduced following the inclusion of the cemetery charges into the Grantham special expense area it was suggested that this was having a detrimental effect on the usage. The service manager confirmed that reducing the charge to those living outside the Grantham area could increase usage and there was adequate land available for this proposal. A 50% increase (on those living outside of Grantham boundary) on the proposed new fees for 2009/10 has been calculated and is proposed.

Leisure centre charges – this will be increased in line with the contract provision

Outdoor recreation – inflationary increase in line with the grounds maintenance contract

Waste charges – a number of proposals were considered;

- Bulky waste collection – retain current charge levels but extend service to include all types of bulky waste (including suites etc).
- Green waste collection – no proposal to introduce a charge at the current time as it was felt this could have a detrimental effect on the amount of green waste collected
- MOT testing – the proposal is to introduce MOT testing for all Council owned vehicles and extend the service to the public including taxi operators. It is confirmed that this service extension can be absorbed within existing resources and no growth bid is requested. However there will be a requirement for some minor capital expenditure with this proposal. The service manager and Corporate Head for this service are currently undertaking work regarding this proposal.

#### **4. Comments of Section 151 Officer**

My comments are contained in the report. I would like to thank the members of the Resources PDG for their hard work in this process.

#### **5. Comments of Monitoring Officer**

Members must satisfy themselves that affected stakeholders will be appropriately consulted and feedback on the consultation process taken into

account before the fees and charges are finally approved by full Council as part of the budget process.

In line with ombudsman recommendations, substantial increases over and above inflation must be reasonable with the reasons noted.

## **6. Contact Officer**

Richard Wyles – Corporate Head of Finance and Customer Services (s151 officer)

Tel: 01476 406210

Email: [r.wyles@southkesteven.gov.uk](mailto:r.wyles@southkesteven.gov.uk)