

# REPORT TO CABINET

**REPORT OF: HEAD OF FINANCE**

**REPORT NO: HOF178**

**DATE: 5<sup>TH</sup> DECEMBER 2011**

<b>TITLE:</b>	<b>FEES AND CHARGES PROPOSALS 2012/13</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

Cabinet is asked to consider the proposed fees and charges for 2012/13 that have been recommended from Resources PDG and support their inclusion into the budget framework proposals and the appropriate consultation:

- Car parking – no increase but include a review of charges as part of the car parking strategy review
- Markets – inflationary increase only
- Bus stations – no inflationary increase
- Grantham cycle centre – inflationary increase only
- Arts centres – inflationary increase only
- Corn Exchange – no inflationary increase
- Licensing – inflationary increase only
- Outdoor recreation – inflationary increase only
- Grantham cemetery – inflationary increase only

- Green waste collection:
  - Joining fee for a new customer of £10 which includes their first green bin
  - Purchase of additional green bins £26
  - An annual charge of £25 per collection (first bin only)
  - For householders that have more than one green bin then subsequent bins will be emptied for £10 per annum per bin

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

The fees and charges proposals for 2012/13 have been compiled by the Resources PDG and need to be taken into consideration as part of the budget compilation for the 2012/13 budget framework.

## **3. DETAILS OF REPORT**

The Resources PDG have been reviewing fees and charges as a key element of their 2011/12 workplan and have commissioned Deloitte 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.

Specifically there are a number of key themes that need to be considered to ensure the Authority maximises income generation:

- A clear corporate charging policy - subsidised service or cost recovery, concessions policy, correlation of charges to wider corporate priorities and impact of completion for similar services provided by the private sector
- Clarity over full cost recovery and subsidy
- A perspective on fairness in charging – impact charges have on specific groups or individuals
- Adopting a commercial approach – trading, flexible pricing structure to stimulate demand
- An approach to premium charging – to reflect either additional demand or an enhanced service
- Charges linked to environmental objectives

These key themes will form the next stage of the work to be undertaken by Resources PDG over the coming months in order to develop a coherent charging strategy that compliments and supports the Council's corporate plan. It is anticipated that the review will be completed by the summer of 2012. Therefore the implementation of the strategy will be incorporated into the budget proposals from 2013/14 but consideration needs to be given to fees and charges that are currently in place. In order to ensure that the current charges are kept in alignment with service costs it is recommended that the charges appended to the report are increased in line with inflation from 2012/13. However 2 specific charge headings should not be increased for 2012/13:

Corn Exchange – no increases are proposed as there will be significant disruption to the building during 2012 as the works commence for the conversion into the community access point.

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 freeze on an increase for 2012/13 would assist with addressing the situation.

The review has also identified new opportunities for charging that should be considered for inclusion into the 2012/13 budget framework.

### **Green waste charging**

During the public consultation in the summer 2010, a representative sample gave support for the introduction of charging for the collection of green waste of an annual charge of £25 (approximately 50p per week). The benchmarking review supports a charging regime and identified that a number of councils have introduced a chargeable service or are considering the introduction of an annual charge from 2012/13. The charge would contribute towards the recovery of the operational costs of the service and would establish the principle that the direct users pay for the service rather than the general taxpayer. The charge of £25 is broadly in line with other councils that have introduced a chargeable green waste service. It should be noted that if take up is lower than anticipated then the service will not achieve a breakeven position and may require a further review of the charging structure. Benchmarking also confirms that there could be an adverse impact on the Council's recycling rates of between 2-3% due to a potential reduction in green waste being collected.

Resources PDG is supporting the following fee proposals:

- Joining fee for a new customer of £10 which includes their first green bin
- Purchase of additional green bins £26
- An annual charge of £25 per green bin collection.
- For householders that have more than one green bin then subsequent bins will be emptied for £10 per annum per bin
- No concessions for householders
- No pro rata in-year payments.

The payment period will run from 1 April – 31 March each year.

### **Pre-planning advice**

A recent charge that has become more prevalent across local authorities is for the provision of pre-application advice for planning services. Authorities are now commonly introducing a charge in this area for advice to commercial developers. This advice greatly assists the developers and helps eliminate any issues with their development proposals thereby greatly improving the quality of the planning applications. The benchmarking has revealed that South Kesteven is only one of three councils that currently offers a free service within the benchmarking group of 11 authorities. Resources PDG has agreed to undertake a review of this charging proposal as part of the fees and charges strategy review.

## **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:**

Appendix - updated fees and charges