

# REPORT TO CABINET

REPORT OF: RESOURCES AND ASSETS PORTFOLIO HOLDER  
 REPORT NO.: HOF134

DATE: 6<sup>th</sup> December 2010

<b>TITLE:</b>	FEES AND CHARGES PROPOSALS 2011/12	
<b>KEY DECISION OR POLICY FRAMEWORK PROPOSAL:</b>	Key Decision	
<b>PORTFOLIO HOLDER: NAME AND DESIGNATION:</b>	Councillor Mike Taylor Resources and Assets Portfolio Holder	
<b>CONTACT OFFICER:</b>	Daren Turner – Strategic Director Corporate Focus 01476 406301 <a href="mailto:d.turner@southkesteven.gov.uk">d.turner@southkesteven.gov.uk</a> Richard Wyles Head of Finance 01476 406210 <a href="mailto:r.wyles@southkesteven.gov.uk">r.wyles@southkesteven.gov.uk</a>	
<b>INITIAL IMPACT ASSESSMENT:</b>	Carried out and Referred to in paragraph (7) below:	Full impact assessment Required: (Undertaken as part of each specific fee consultation)
<b>Equality and Diversity</b>		
<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>		

## **1. RECOMMENDATION**

Cabinet is asked to consider the proposed fees and charges for 2011/12 that have been recommended from Resources PDG and support their inclusion into the budget framework proposals.

- Car parking service – no proposed increase
- Markets – no proposed increase
- Bus stations – page 4 of the appendix
- Grantham cycle centre – page 5 of the appendix
- Arts Centres and Corn Exchange – page 6 of the appendix
- Street Scene – no proposed increase
- MOT testing station - page 8 of the appendix
- Healthy Environment/Licensing – page 9-12 of the appendix
- Outdoor recreation – page 13 of the appendix
- Grantham cemetery – page 14 of the appendix

- Land charges – page 15 of the appendix
- Helpline charges – page 16 of the appendix

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

The fees and charges proposals for 2011/12 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 2011/12.

## **3. DETAILS OF THE REPORT**

The Resources Policy Development Group (PDG) has established a working group to fully consider the fees and charge proposals for the forthcoming year. Specific working group meetings have been held and the Group's attention has been to fundamentally review the current fees and charges and to consider new charging proposals. The starting position for the review was to put into context the current financial position of the Council, the current policies in respect of specific charges, the VAT increase on 4<sup>th</sup> January 2011 and the feedback from the community following the consultation undertaken during the summer. The review has attempted to strike the right balance between ensuring service costs are kept to a minimum and ensuring an appropriate charge is levied where there is a specific user base. Indeed the Council is encouraged to ensure it maximises the opportunities to charge for specific services thus reducing the overall cost pressure on the Council tax. The Resources PDG is mindful of the need to balance any proposed increases with both the increasing likelihood of significant financial pressures the Council will be facing in the medium term and the impact of the customer. 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 proposals are:

Car Parking – Cabinet will be aware that the Council current policy is to review car parking charges every 2 years – the last review being 2010/11. Resources PDG were updated on the current situation following the implementation of the new rates and were informed that the new 30 minutes charge has been popular with the car park users and, overall, car parking income is broadly in line with budgeted expectations. Therefore there is no proposal to amend the current tariff structure for 2010/11 but to provide support for the development of a car parking strategy for the district specifically to harmonise with the introduction of Civilian Parking Enforcement. Cabinet should be aware that if the VAT increase is not added to the tariff fees when it is introduced on 4 January 2011 then the car parking income will be negatively impacted by approximately £30k per annum compared to current budget levels.

Markets – The PDG were updated with the current operating position of the 3 markets that are held each week in the towns of Grantham, Stamford and

Bourne. Stamford and Bourne are showing a healthy trading position with all direct costs being met by the traders and a high weekly attendance but the Grantham market has not had the same high level of attendance and has been operating at a trading loss due to higher operational costs. Recent utilisation rates do show an improving picture but the PDG were of the opinion that price increases at this time for all sites could be harmful. Therefore the Group supported no increase for 2011/12 but to support the continuation of the improvement plan for Grantham.

Bus Stations – the service is currently operating under a policy of direct cost recovery from departure charges for bus operators using the bus stations. The PDG supported the view that the cost recovery period should be extended until 2013/14 to ensure the stepped increases are realistic and in line with other bus stations outside of the district.

Grantham cycle centre – usage of the facility is relatively poor and work should be undertaken to promote the location and the facilities it offers. It was agreed to add this facility to the service review programme in order to ensure it is delivery value for money and is cost effective. The Group supported an increase to reflect the new VAT rate with effect from 1 April 2011.

Arts and Corn Exchange – The Head of Service presented to the Group the current operational position of the Arts Centres and the corn exchange and informed the Group of a number of improvement actions that are being implemented in order to reduce operational costs and ensure that the charging policies reflect the recovery of those operational costs but also sit competitively in the market. The Group supported a general increase in the published charges and supported the continuation of the service charging policy that allows discretionary charging within defined parameters. These parameters should be reviewed before new fees and charges are introduced in April 2011. The Group agreed to undertake a fundamental review of the current concessionary policy at these 3 venues as part of a review of the Council's general concessions policy. The Group also agreed to a wider strategic review of fees and charges in the New Year. This would encompass the work already undertaken by officers across Lincolnshire.

Street Scene – the Resources PDG had supported the introduction of a range of new charges last year (specifically relating to the purchasing of additional bins) and do not propose any changes to those charges next year. However, the Group supported the principle of green waste charging but having taking into consideration the community feedback, supported the view of a nominal charge only. It is not proposed to take this proposal further at this time as there is further detailed analysis of determining the service and operational impact of introducing a charge.

MOT testing station – Cabinet will be aware that testing station has been created at the depot at Alexandra Road Grantham and the service, when operational, will be offered to the general public. It is proposed that the MOT rates are in line with VOSA (vehicle and operator services agency) rates but to offer a 10% discount for the first month of trading. In respect of taxis the Group

considered the introduction of a policy that requires all vehicles that are licensed by the Authority for hackney or private hire to be tested by the Council's own MOT station.

Healthy Environment/Licensing – The Group considered a wide range of charges covering hackney carriage, premise licensing and registration fees. Where charges attract VAT treatment then an increase is supported to meet the VAT increase. Generally inflationary increases are supported to ensure that service cost recovery is sustained.

Outdoor recreation – The Group were informed of a decline in the usage of the Council's playing fields due to excessive charges in comparison with other providers. The costs incurred in the cutting and maintenance of these playing fields is not specifically related to the recreational activities and therefore it is an income contribution to costs the service incurs in any event. The Group wished to utilise the assets to support the Council's priority theme of 'Quality Living' and support a modest decrease in the charge to £40 for adult use. A similar decrease is also supported for junior and mini pitch lettings. Financially this could have a positive impact as it is expected that usage will increase overall.

Grantham Cemetery – The Group support an increase in fees to meet the increase in the costs associated with the service. Cabinet is reminded that the service is wholly charged to the Grantham Special Expense Area that therefore there is a 50% surcharge levied on the charges for those residents who live outside of the SEA boundary. The Group supported the continuation of this charging policy.

Land charges – an inflationary increase in line with service costs is proposed in order to ensure the service achieves a full cost recovery position. The service in respect of personal searches is now provided free of charge in line with the legislative changes in accordance with Environmental Information Regulations.

Helpline charges – The Group is mindful of the valuable service provided and needed to ensure that the users contribute towards the operational costs of the service without increasing charges too excessively as there is a competitive market for the service. The proposed increases keep the income in line with operational costs and reflect the VAT increase.

Other charges requiring commentary:

Building Control – In accordance with the Building (Local Authority Charges) Regulations 2010, the Authority has undertaken a review of its charges in relation to building control functions and introduced a new charging scheme from 1st October 2010. A review has been undertaken using the new calculation methodology as prescribed in the statutory instrument. Therefore it is not proposed to amend the published fees at this time

Development Control – these are statutory charges set by central government and the Authority will be notified of any increases in due course.

Fairs – these fees are based on cost recovery and are calculated in line with the associated costs.

Leisure centres – the contract allows for inflationary increases to the published charges and the contractor is able to increase charges to this maximum level.

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

The Group consider a number of options as part of the fees and charges review. The specific proposals are included in the report.

#### **5. RESOURCE IMPLICATIONS - FINANCIAL**

The review has been undertaken in accordance with the Fees and Charges strategy and the Medium Term Financial Plan and having regard to the financial position of the Council in the medium term. The proposals reflect a balance to assist the Council in achieving a sound financial position and the need to ensure service delivery and quality is maintained.

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

These will be incorporated into the consultation process in respect of each fees and charges proposal.

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

These will be incorporated into the consultation process in respect of each fees and charges proposal.

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

None applicable

#### **9. COMMENTS OF SECTION 151 OFFICER**

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

#### **10. COMMENTS OF MONITORING OFFICER**

The purpose of this report is to obtain the approval of Cabinet to the proposed fees and charges for the purposes of consultation. The appropriate and relevant comments received from consultation will be taken into account and reported to Cabinet for recommendation to full Council as part of the budget setting process.

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.

**11. APPENDIX:**

The fees and charges proposals are appended to the report.