

**Agenda Item No:** 9.2 **Report No:** 2/15

**Report Title:** Fees and Charges

**Report To:** Cabinet **Date:** 5 January 2015

**Cabinet Member:** Councillor Andy Smith

**Ward(s) Affected:** All

**Report By:** John Magness, Director of Finance

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#### **Purpose of Report:**

To propose a revised schedule of fees and charges to apply from 1 April 2015.

#### **Officers Recommendation:**

- 1 To approve the revised scale of fees and charges proposed within the Appendix to apply from 1 April 2015
  - 2 To delegate authority to the Director of Service Delivery in consultation with the Lead Cabinet Member to vary commercial trade waste charges upwards or downwards by up to 10% in order to respond to developing market conditions.
  - 3 To implement changes in the statutory fees and charges for services shown within the Appendix as and when notified by Government
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#### **Reasons for Recommendation**

- 1 The Council's Constitution requires that all fees and charges, including nil charges, be reviewed at least annually and agreed by Cabinet.

#### **Information**

##### **2 Background to this report**

- 2.1** In advance of the 2009/10 budget, Cabinet oversaw a comprehensive review of the Council's charging policy in light of an Audit Commission report entitled "Positively Charged". A systematic review of services where the Council has the power or duty to make charges also took place at that time.

**2.2** As a result of this comprehensive review Cabinet approved in January 2009:

- Guiding Principles for setting fees and charges for inclusion within the Council's Constitution under Part 4 Financial Procedure Rules
- A series of recommended actions as agreed by each Lead Councillor for their respective Portfolio at that time

**2.3** The Guiding Principles and the recommended actions arising from the systematic review of services have been applied in reviewing and proposing a revised scale of fees and charges to apply from 1 April 2015.

### **3 Fees and Charges Proposals to apply from 1 April 2015**

**3.1** Fees and Charges are reviewed by Cabinet at least once each year, principally during the winter prior to the next financial year. This enables Cabinet's decision to be incorporated in the coming estimate cycle. Cabinet is not restricted to an annual review; it can conduct further reviews at any time in the year with implementation of decisions from any point in the year.

**3.2** As in previous years all of the fees and charges are covered, as far as is practicable, within a single report. In this way Cabinet is able to consider all of the fees and charges which apply to the Council's services as an overall package. There are two exceptions to this:

- licensing fees, which are set by the Licensing Committee.
- Community Infrastructure Levy charges: the draft Charging Schedule is currently subject to independent examination by the Planning Inspectorate. Following the successful negotiation of the examination into the Charging Schedule, its adoption by the Council will be recommended to Cabinet and Council for implementation in April 2015 or as soon as possible thereafter.

Wave Leisure are responsible for setting the fees and charges applicable at the Council-owned indoor leisure facilities which it manages.

**3.3** Within the Appendix to this report there are some significant services, with significant income estimates, where the Council has discretion to set the level of fees and charges. These are summarised below between those services where changes are proposed, those services where no changes are proposed, and those services where the fees are statutory and changes are made by Government.

### 3.4 Services where changes to fees and charges are proposed.

<b>Service</b>	<b>Building Control</b>
Appendix reference	lines 93 to 110
Financial impact	An increase of £30,000 from £315,000 up to £345,000
Reason for increase	Officers have undertaken a wide ranging review of comparative charges raised by other local authorities within Sussex, together with a detailed analysis of activity levels over recent years. This analysis shows scope for a variety of selective levels of increase across a range of fees whilst seeking to protect market share in a competitive environment. Fees have not been increased for 4 years.

<b>Service</b>	<b>Developer Contributions</b>
Appendix reference	Lines 126 to 168
Financial impact	Contributions raised from developers are used to support the costs of increased recreation and recycling facilities necessary to support an increase in the number of new houses and flats built within the district. The significance of developer contributions as an income stream will diminish from April 2015 following the introduction of the Community Infrastructure Levy.
Reason for increase	Increases of around 3% are proposed in order to maintain the value of contributions received.

<b>Service</b>	<b>Planning Services</b>
Appendix reference	lines 169 to 212
Financial impact	An increase of £10,000 from £34,000 up to £44,000.
Reason for increase	The increase in income comes from increased activity levels. Officers believe that the current fees will maintain this level of activity and consequently increases to 2 items only are proposed.

<b>Service</b>	<b>Allotments</b>
Appendix reference	Lines 217 to 218
Financial impact	Although a small increase is proposed, the income budget remains unchanged at £1,600 due to the small level of activity.
Reason for increase	An increase of less than 3% to maintain the value of the income received.

<b>Service</b>	<b>Cemeteries</b>
Appendix reference	lines 219 to 243
Financial impact	An increase of £4,000 from £131,000 up to £135,000

Reason for increase	The Council's policy is to maintain its charges within the upper quartile of local authority burial charges. The proposed increases of broadly 3% will maintain this position.
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<b>Service</b>	<b>Parks and Open Spaces</b>
Appendix reference	lines 244 to 251
Financial impact	Due to the low number of chargeable hires no increase in the income budget is predicted. It will remain at £3,000
Reason for increase	A 3% increase to maintain the value of the income received.

<b>Service</b>	<b>Waste Collection (excluding Commercial Trade Waste)</b>
Appendix reference	lines 252 to 266
Financial impact	An increase of £7,700 from £98,200 up to £105,900.
Reason for increase	Officers have reviewed the current charging structure and propose some changes intended to grow the business whilst continuing to offer a competitively priced service.

<b>Service</b>	<b>Land Charges</b>
Appendix reference	lines 287 to 294
Financial impact	An increase of £20,000 from £120,000 up to £140,000
Reason for increase	Officers have undertaken a review to ensure the recovery of costs as permitted by legislation. At the same time the opportunity has been taken to propose a move away from differential charging for paper and electronic searches to a single fee which is increasingly the market norm.

### 3.5 Services where no changes to fees and charges are proposed.

<b>Service</b>	<b>Car Parking</b>
Appendix reference	lines 1 to 25
Reason for no change	The current simplified charging structure has been in operation for less than 2 years, with incremental and cashless charging implemented in 2014. Income has fallen short not only of previous levels but also of income budgets set for 2013/14 2014/15. As a consequence of this, it is necessary to reduce the total income budget for 2015/16 by £118,000, from £992,600 down to £874,600.

<b>Service</b>	<b>Arts Development</b>
Appendix reference	Lines 26 to 29
Reason for no change	Income from advertising has exceeded this year's budget. As a consequence the income budget for 2015/16 can be increased by £1,200 from £7,800 up to £9,000 without an

	increase in fees.
<b>Service</b>	<b>Rodent and Pest Control</b>
Appendix reference	lines 30 to 47
Reason for no change	Income from this service has been consistently under budget over recent years. In response to this trend, the income budget for 2015/16 will be reduced by £8,000 from £20,000 down to £12,000. The primary volume of work for this service is the treatment of rats in domestic properties across the district for which no charge is made.
<b>Service</b>	<b>Animal Wardens</b>
Appendix reference	Lines 48 to 53
Reason for no change	Of the 4 charges applicable to this service 1 is statutory and 3 are discretionary. Given the low level of income generated – budget of £2,900 – no change is planned until there is a change in the statutory fee.
<b>Service</b>	<b>Public Health</b>
Appendix reference	lines 63 to 65
Reason for no change	The majority of Public Health charges are statutory (see 3.6 below) but 2 are not. Given that the main one of these 2 is set to encourage commercial attendance at food hygiene courses no increase is proposed.
<b>Service</b>	<b>Private Sector Housing</b>
Appendix reference	lines 90 to 92
Reason for no change	Levels of activity and income generated are low and the current charge recovers cost.
<b>Service</b>	<b>Street Naming and Numbering</b>
Appendix reference	lines 213 to 216
Reason for no change	Activity levels will generate an extra £1,500 which will increase the income budget from £2,500 up to £4,000.
<b>Service</b>	<b>Council Tax and Business Rates</b>
Appendix reference	lines 267 to 271
Reason for no change	Because both this Council and Wealden Council use the same court the policy has been to keep our fees in line. The budget for next year is forecast to grow by £5,200 from £181,300 up to £186,500 in line with increases in numbers experienced over the past 2 years.
<b>Service</b>	<b>Legal Services</b>
Appendix	lines 272 to 286

reference	
Reason for no change	The current range of the main fees remains appropriate for the relatively small levels of activity.

### 3.6 Services where statutory fees and charges apply.

Service	Port Health
Appendix reference	lines 54 to 62

Service	Public Health
Appendix reference	lines 63 to 89 excluding lines 64 and 65

Service	Development Control
Appendix reference	lines 111 to 125

The current level of fees and charges will continue to apply until such time as the Council is notified by Government of changes. These will be implemented in accordance with the relevant statutory notices.

## 4 Commercial Trade Waste

- 4.1** The current fees for the collection and disposal of commercial trade waste were approved by Cabinet on 6 January 2014. Due to commercial confidentiality these were considered and approved by Cabinet in an exempt report. They are not reproduced in this report.
- 4.2** This year's review shows that the current charges are competitive. They need to remain so if the Council is to retain its market share. As a consequence no change in the current charges is proposed. However, given the very competitive nature of this business, and the officers desire to grow the business, it is recommended that the Director of Service Delivery be given delegated authority, in consultation with the Lead Cabinet Member, to vary charges upwards or downwards by up to 10% in order to respond to developing market conditions.
- 4.3** As mentioned above officers are keen to grow the customer base of the business in order to maximise income. Existing operational resources are sufficient to meet some growth in the current customer base. However, the service does not have a dedicated marketing officer so any growth may be incremental as well as hard won. Officers will report back in due course on the success or otherwise of this approach.

## 5. Financial Appraisal

- 5.1** The effect of the proposed increases in fees and charges, which also takes into account variations in demand, is set out at service level below:

	2014/15 income estimate £	<u>Financial impact of:</u> change in usage £		2015/16 income forecast £
Car Parking	992,600	(118,000)	0	874,600
Arts Development	7,800	1,200	0	9,000
Rodent and Pest Control	20,000	(8,000)	0	12,000
Private Sector Housing	1,500	0	0	1,500
Building Control	315,000	0	30,000	345,000
Planning Services	34,000	10,000)	0	44,000
Street Naming and Numbering	2,500	1,500	0	4,000
Allotments	1,600	0	0	1,600
Cemeteries	131,000	0	4,000	135,000
Parks and Open Spaces	3,000	0	0	3,000
Waste Collection	98,200	0	7,700	105,900
Council Tax and Business Rates	181,300	5,200	0	186,500
Land Charges	120,000	20,000	0	140,000
<b>Discretionary fees – set by LDC</b>	<b>1,908,500</b>	<b>(88,100)</b>	<b>41,700</b>	<b>1,862,100</b>
Animal Wardens	2,900	0	0	2,900
Port Health	100	(100)	0	0
Public Health	12,400	(2,000)	0	10,400
Development Control	300,300	29,700	0	330,000
<b>Statutory fees – set by Government</b>	<b>315,700</b>	<b>27,600</b>	<b>0</b>	<b>343,300</b>
<b>Total income estimates</b>	<b>2,224,200</b>	<b>(60,500)</b>	<b>41,700</b>	<b>2,205,400</b>

**5.2** If Cabinet chooses to amend the proposed charges the impact will be reflected in the final budget report to be presented to Cabinet on 12 February 2015.

**5.3** The reductions in usage set out within the table in paragraph 5.1 more than offset the additional income forecast from the proposed fees and charges. This will mean that the Council will fail to increase fees and charges income for 2015/16 by inflation as forecast (at the rate of 1.9%) in the medium term budget strategy. As a consequence of this the savings target for 2015/16 will need to increase by £61,000 to cover the income shortfall.

**6. Sustainability Implications** - I have not completed the Sustainability Implications Questionnaire as this Report is exempt from the requirement because it is a budget report.

**7. Legal Implications** – No legal implications have been identified for this report.

**8. Risk Management Implications** - I have completed the Risk Management questionnaire and this report does not require a risk assessment because the issues covered by the recommendations are not significant in terms of risk.

**9. Equality Screening** - The Equality Screening process for this Report took place in November 2014. No potential negative impacts were identified.

**10. Background Papers** – Lewes District Council Guiding principles for setting fees and charges

**11. Appendix** - Lewes District Council Fees and Charges Proposals 2015/16