

<b>Council Meeting</b>	<b>Agenda Item: 11</b>
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<b>Meeting Date</b>	19 May 2010
<b>Report Title</b>	Fees and Charges
<b>Portfolio Holder</b>	Executive Member for Performance and Finance
<b>SMT Lead</b>	Eric Fisher
<b>Head of Service</b>	Eric Fisher
<b>Lead Officer</b>	Phil Wilson
<b>Key Decision</b>	<b>Yes</b>
<b>Classification</b>	<b>Open</b>
<b>Forward Plan</b>	<b>Reference number:</b>

<b>Recommendations</b>	1. To agree the recommendations for the fees & charges to be levied for the next financial year 2010-11.
	2. To agree that the Cross Street Car Park in Sheerness will be changed from a short stay to a long stay car park.
	3. To agree that , in response to changes in local circumstances, any change of Fees and Charges to specific Halls be delegated to the Executive Member for Performance and Finance, in consultation with the Head of Finance.

## 1. Purpose of Report and Executive Summary

1.1 A report on Fees and Charges to be levied for the next financial year 2010-11 was considered by the Executive on 17 March 2010 which recommended that:

***1) That Council agrees the recommendations for the Fees and Charges to be levied for the next financial year 2010-11.***

***(2) That the Cross Street Car Park in Sheerness be changed from a short stay to a long stay car park.***

***(3) That, in response to changes in local circumstances, any change of Fees and Charges to specific Halls be delegated to the Executive Member for Performance and Finance, in consultation with the Head of Finance, to agree.***

1.2 A number of queries were raised at the Executive meeting which have been addressed in this report.

1.3 This report invites the Council to agree the recommendations for the Fees & Charges to be levied for the next financial year 2010-11 or other more expedient dates as indicated in the attached appendix.

1.4 Income from Fees and Charges in 2010-11 is anticipated to be £6.042 million. The Council has control over some of these fees, while other fees, such as Planning fees are set by Central Government.

1.5 The table below shows the most significant income from fees and charges for services for the 2009-10 Budget.

	<b>£'000</b>
Parking (including car parks, parking permits, season tickets)	2,076
Homelessness	546
Planning fees	522
Recycling (including brown bins)	180
Local Land Charges	175
Licences	147
Cemeteries	140
Community Halls	112
Rents (eg industrial estates)	740
Housing Benefits Overpayments Recovery	587
Council Tax recovery of costs	414
Market rents	86
Mooring Fees	71
Refuse collection fees	61
Stay Put fees	59
Hackney carriage licences	55
Other	71
<b>Total</b>	<b>6,042</b>

1.6 The table originally included in the Fees and Charges report and booklet for the Executive focused upon the locally generated fees and charges and did not include items such as rents and the recovery of benefit overpayments. The attached Appendix details the proposed fees and charges for 2010-11 alongside the current year figures.

1.7 The Council is planning a fundamental review of Fees and Charges in 2010-11.

## **2. Background**

2.1 In January 2008, the Audit Commission published a review of local public service charges titled "Positively Charged". There is a general recognition that councils are not consistently maximising their revenue income opportunities. The Audit Commission found that charges could make a significant contribution to council finances and could also be used to influence people's choices and behaviour and bring other benefits to local communities but that councils were not very good at deciding which charges should be subsidised by local tax-payers and do not always make most effective use of their charging powers. They recommended that councils need to change their approaches to charging if they are to use it to achieve financial and strategic objectives. They also found that there are very significant differences in the proportion of costs met from fees and charges between boroughs of the same type.

- 2.2 Therefore, all service managers were asked to review the fees and charges for their services. In particular:
  - 2.2.1 the impact of the increase on the overall income level and on the service;
  - 2.2.2 whether the current proposed charge is significantly out of step with the equivalent charges raised by other local councils;
  - 2.2.3 if there be a different charge to meet the Council's priorities as set out in the Corporate Plan;
  - 2.2.4 if there were any other discretionary services which the Council provides for free but could introduce a charge for 2009-10;
  - 2.2.5 to identify if an additional increase would help address the budget gap.
- 2.3 The economic downturn has had an effect on the deliverability of achieving some targets for fees and charges. For example, it is forecast that car parks will under-recover income by £100,000.
- 2.4 For Local Land Charges, there is a pending national legal challenge from personal search companies who claim that local land information should be provided free of charge. In addition, seasonal variations mean that it likely that this level of income will tail off over the next few months. These potential pressures could result in a loss of income.
- 2.5 The Medium Term Financial Strategy has as one of its objectives: "to review annually relevant fees and charges comprehensively as a means of generating additional funding for re-investment in priority services". The assumption is that fees and charges inflation from 2011-12 will be 1% per annum.
- 2.6 Consideration of the setting of Fees and Charges was part of the approach taken to developing budget savings options for 2010/11.

### **3. Proposal**

- 3.1 The Council is due to begin considering the Budget and revised Medium Term Financial Strategy for 2011-12 onwards from April 2010. This will include a fundamental review of the Council's approach to fees and charges as part of the Budget options to be considered. This will include a review of the Council's policy on concessions such as incorporating an easily applied means testing.
- 3.2 Currently the Council offers the following concessions for its fees and charges:
  - 3.2.1 Pest control treatment – a 68% discount offered to the customers if on benefits listed.
  - 3.2.2 Pest control treatment for Rats is free for the customers on benefits.
  - 3.2.3 Allotments – a 50% discount is awarded to OAPs and Disabled customers.
- 3.3 Appendix I details the proposed fees and charges for 2010-11 to be set by the Council which includes:
  - 3.3.1 Halls and rooms for hire;

- 3.3.2 Hire of meeting rooms at Swale House;
  - 3.3.3 Car parking fees;
  - 3.3.4 Council minutes and Agenda;
  - 3.3.5 Hedges fees (adjudication of complaints made under the High Hedges Legislation);
  - 3.3.6 Environmental Heath Charges;
  - 3.3.7 Licence Application Fee for Houses in Multiple Occupation;
  - 3.3.8 Playing fields and open spaces;
  - 3.3.9 Harbour fees;
  - 3.3.10 Cemeteries/Burial fees;
  - 3.3.11 Allotments;
  - 3.3.12 Travelling Fairs/Fetes;
  - 3.3.13 Access over Open Space Licence.
- 3.4 Appendix I also includes fees and charges that are not set by the Council but which are set by Government, or by external organisations:
- 3.4.1 Local Land Charges/ Search fees;
  - 3.4.2 Electoral Services;
  - 3.4.3 Fees for premises and Personal Liquor Licensing ;
  - 3.4.4 Faversham Pools Charges;
- 3.5 Planning fees for the submission of applications are set by Central Government and are available from the Council's website. Any changes to the fees are updated as they occur. A separate report on charging for pre application advice was approved by the Executive on 17 March 2010.
- 3.6 Parking Fees and Charges. The current economic downturn has impacted on the use of car parks with general usage having reduced which has resulted in the total income for 2009-10 being below budget. In view of the continued recession it is not proposed to increase car park fees. However, the Cross Street car park in Sheerness is currently a short stay car park and is not well used. In addition, there is limited availability of long stay parking at this area of the town centre. It is therefore proposed that the Cross Street car park is changed to a long stay car park which should increase its use and would still be available for any existing short stay parking as the charging schedule up to four hours is the same.
- 3.7 Residents parking permits are available for use in a number of long stay car parks which allow parking from 5pm-9am weekdays and all day Saturdays, Sundays and bank holidays. The cost of these permits has been unchanged for a number of

years and it is recommended that they are increased from £15.50 to £20.00 per quarter.

- 3.8 The charge for export certificates for food has been reduced from £215 to £50. This charge relates to providing to businesses with confirmation that food they are exporting has been produced in premises that are inspected under European food safety law. In practice this only related to one food premises a couple of times per year, so the income to the Council was minimal. The previous charge of £215 was challenged as unreasonable. However, the Council has a legal obligation to charge 'reasonable' fees that reflect the cost of providing the service. The proposed charge of £50 reflects the reasonable cost of the administration involved in producing the confirmation required by the business.
- 3.9 The charge for the use of the chapel in Faversham has increased from £53 to £90. This increase is one of the budget savings proposals agreed for the 2010-11 budget (Budget Report to Executive 10 February 2010 Appendix VI (i) number 17 page 2).
- 3.10 The car parking charge for residents of Trinity Road, Sheerness had been omitted from the Executive report but is now shown in Appendix I.

#### **4. Alternative Options**

- 4.1 The Council is planning to undertake a fundamental review of Fees and Charges in 2010-11. It is recognised that income generated from Fees and Charges helps to bridge the gap between what Swale Borough Council wants to spend and what Central Government provides. As part of this process it is intended to submit proposed Fees and Charges for 2011-12 to the Executive in October 2010.

#### **5. Consultation Undertaken or Proposed**

- 5.1 There has been an extensive budget consultation process in place since September 2009 involving a wide range of community-based organisations, the Local Engagement Forums, Business Surgeries and the general public.
- 5.2 Respondents were asked to indicate their level of agreement with the statement "users should pay the full cost of these services", 50.4% of respondents said they tend to agree or strongly agree, 22% gave a neutral response, 26% said they tend to or strongly disagree and the remainder said they don't know.
- 5.3 Respondents from Sittingbourne and the surrounding area and respondents from Sheppey were more likely to agree that users should pay the full cost of services. Respondents from Faversham were fairly evenly split between tending to agree with the statement and giving a neutral response. Respondents in the 25-44 age group were fairly evenly split between tending to agree with the statement and giving a neutral response. The largest agreement with the statement was in the 45 – 60 age group although there were some that tended to disagree. There were no significant trends identifiable by disability, sexual orientation ethnicity or for employers due to a small number of responses received.
- 5.4 Scrutiny Committee met on 14 January 2009 to consider the recommendations of the Executive meeting on the budget 9 December 2009. They recommended looking again at increasing income from fees and charges. This was agreed in principle by the Executive who are to undertake a more comprehensive approach to

fees and charges in 2010-11 having regard to the Audit Commission best practice set out in its publication 'Positively Charged'.

- 5.5 Feedback and further consultation on the proposals with key stakeholders, residents and businesses took place in January 2010 before the Council sets the budget on 24 February 2010. A response from the Federation of Small Businesses referred to the scope to increase fees and charges and noted that the Council earns (around £6m+)... and queried whether there was scope for the Council to earn more fees by advising Medium and Small Enterprises on items where they clearly have expertise.

## 6. Implications

Issue	Implications
Corporate Plan	An annual review of fees and charges is a contribution to the good financial management of the authority which forms part of the Council's overall performance assessment (priority – becoming a high performing organisation).
Financial, Resource and Property	<p>The proposed charging levels are set out in appendix I.</p> <p>The Local Government Act 2003 Allows Best Value Authorities, including District Authorities, to charge for discretionary services. Discretionary services are those services that an Authority has the power, but not obliged to provide. A pre condition to charging is that the person has agreed to the provision of the services and they are prepared to pay for it.</p> <p>The Authority is under a duty to ensure that the income from the charges do not exceed the cost of the provision. Charging for discretionary services is not intended to generate a profit but to cover costs. However, provided no profit is made, the Authority can decide the level of the charges.</p> <p>It is also important to recognise that this could add to the workload of the Offices dealing with the fees and charges.</p>
Legal and Statutory	<p>The proposal would not adversely affect the Council's ability to meet its statutory obligations as the local authority and will assist in making timely decision.</p> <p>However, the level of fees and charges need to be set at the level that is considered reasonable and cannot be legally challenged.</p>
Crime and Disorder	None identified at this stage.
Risk Management and Health and Safety	None identified at this stage.

Issue	Implications
Equality and Diversity	<p>Local Authorities are required to embed the equality principles, which will ensure that discriminatory barriers that prevent fair access to services are identified and removed.</p> <p>The Council recognises the importance of a Concession Policy and it is working towards a council-wide approach to ensure it has a robust Fees &amp; Charges policy incorporating easily applied means testing.</p>
Sustainability	None identified at this stage.

## 7. Appendices

7.1 The following documents are to be published with this report and form part of the report

- Appendix I: Fees and Charges booklet

## 8. Background Papers

8.1 Scrutiny Committee Report of 14 January 2010 summarising the findings of the budget consultation.

8.2 The Audit Commission review of local public service charges titled "Positively Charged".