

Council Meeting - 23 November 2016

Scrutiny Committee recommendations and requests for additional information on Fees and Charges proposals

Issue	Responsible Cabinet Member	Response
Additional information - page 10 of the report the seasonal charges for car parks at Leysdown and Minster Shingle Bank are lower than charges for the main car parks including Sheerness.	Cllr Horton	Historically the pay and display tariff has been set lower in Leysdown than that of town centre locations in order to support the local economy by offering a competitive day rate for parking.
Additional information - page 10 is there a limit on how many residents permits a household can have?	Cllr Horton	Permits are already limited to two per household (the vehicles must also be registered to the address).
Additional information - page 11 taxi licensing - what income is received?	Cllr Horton	<p>In 2015/16 income was £82k compared with a budget of £65k. The changes to charges are not about raising additional income, but reflect work undertaken by the Transformation Team which showed that the Council does not put charges in place for a lot of the work they do. Due to this demand on the team is increasing significantly, and the charges are aimed at managing this.</p> <p>We also have problems with customers not turning up to knowledge tests - those that fail often do not turn up to re-sit tests as currently there is no charge for re-sits and they can do as many as they like. Customers also fail to turn up to vehicle checks as there is no charge for this too.</p>
Recommendation - page 12-13 sport facilities recommended that charges for Under 18's and under 16's & mini soccer should not be increased.	Cllr Simmons	Agreed

<p>Recommendation - page 14 seafront memorial benches- increase from £525 to £750.</p>	<p>Cllr Simmons</p>	<p>Seafront benches use a recycled plastic seat that currently on the supplier website is showing as £416.69 plus VAT. It also costs £50 to install if simple, or £200 if a concrete base is required. The approach taken to charging reflects that this can be a very sensitive issue. A more realistic charging basis reflecting future maintenance would be:</p> <ul style="list-style-type: none"> ▪ Memorial bench with basic installation - £605 plus VAT (based on costs of £550.40 plus 10% mark-up for on-going maintenance plus VAT on top); and ▪ Memorial bench with concrete installation - £770 plus VAT (based on costs of £700.40 plus 10% mark-up for on-going maintenance plus VAT on top).
<p>Recommendations - page 15 beach huts:</p> <p>Increase ground rent from £300 to £375.</p> <p>Increase annual licence fee from £950 to £1,200.</p> <p>Purchase - hold future sales in 2017/18 until the economic basis of charge is better understood, and reflects the market in other Kent coastal location.</p>	<p>Cllr Cosgrove</p>	<p>(Charge comparisons attached – see page 4.)</p> <p>Ground rent - there are very big variations in charge and in-service, and for Thanet there is no requirement to buy the hut from them so therefore they are free to purchase cheaper options. Generally Councils do not provide the actual hut.</p> <p>Increase to £375 agreed.</p> <p>Licence - this relates to customers using one of our huts for the year and then giving keys back to us at end of period. A key issue here is that the Council was keen to keep 25% of the huts available as annual rental to allow residents in the Borough not able to afford to purchase an opportunity to have one. Therefore the fee was kept at the low end of hire. Increasing this too much would reduce the likelihood of this. We are slightly lower than average, but compare well with Thanet who provide better beach facilities as well.</p> <p>Purchase – the decision whether to sell is a policy decision, and not one related to the setting of fees and charges, which is the purpose of this report.</p> <p>In any case, a complete block on new sales would stop both the expansion at Minster and the new site at Leysdown, and would mean that potentially as many as 60 new huts would not proceed.</p>

		<p>The cost per hut to buy is £2,310 plus some costs for some small associated one-off activities, such as some safety fencing, signage, installation of a water stand-pipe, improvements to entrance and toilets. It is proposed that the sale price should remain at £10,000.</p>
<p>Recommendation - page 21 new charge for licence for events with more than 10,000 people - delete charge of £500.</p>	<p>Cllr Horton</p>	<p>This is a new charge introduced to reflect the need for the Council to ensure that activities such as this are licensable for good legal reasons (principally around health and safety). The figure has been kept low to avoid it becoming a financial burden.</p>
<p>Recommendation - page 22 legal charge for services to third parties. Recommend differential charging for different grades of legal staff, and that £210 per hour is too high.</p>	<p>Cllr Dewar-Whalley</p>	<p>The suggested hourly fee covers specific legal costs associated with Swale cases. Of the current figure of £44,000 net, almost £40,000 comes from s.106 agreements. The current hourly rate for this is £207.</p> <p>Members need to be aware that up until two years ago such agreements were routinely drafted by the developer, putting the Council at a disadvantage both contractually and financially.</p> <p>Most transactions dealt with by Legal involve significant commercial benefit to the other party and it is only right that the Council charge a rate which is benchmarked and comparable with commercial private practice rate. The rate proposed of £210 per hour has been benchmarked against fees charged by local solicitors and is considered a sensible commercial fee.</p> <p>Re charging differential fees - given the scale of fees received, there is no benefit in adopting anything other than a blended cost across the MKS Partnership for internal legal work, and a single hourly rate for other legal work for third parties that we can charge for (which includes giving estimates in advance if requested). This allows MKLS to have a common approach to charging across the three councils, and is more straightforward, open and transparent.</p>

Borough/Location	Seasonal hire (April-Sept)	Annual hire (April-March)	Weekly hire peak	Weekly hire off-peak	Annual ground rent	Seasonal Ground rent	Comments
Thanet (non-resident)	£820.00	£1,000.00	£105.00	£67.00	£485.00	£425.00	These prices include NNDR and VAT. The sizes for hire vary but are smaller than Swale's. The annual ground rent figure is based on a 6'x6' plot size and seasonal ground rent is 8'x8'.
Thanet (resident)	£745.00	£925.00	£96.00	£60.00	£450.00	£385.00	These prices include NNDR and VAT. The sizes for hire vary but are smaller than Swale's. The annual ground rent figure is based on a 6'x6' plot size and seasonal ground rent is 8'x8'.
Herne Bay (CCC)	n/a	n/a	n/a	n/a	£440.00	n/a	These prices do not include NNDR and VAT. Canterbury only offer ground rents for existing private huts which are sold on the open market. They are looking for additional sites. The huts at Herne Bay are smaller in size than Swale's.
Tankerton (CCC)	n/a	n/a	n/a	n/a	£621.00	n/a	These prices do not include NNDR and VAT. Canterbury only offer ground rents for existing private huts which are sold on the open market. They are looking for additional sites. The huts at Tankerton are a very similar design and size to Swale's.
St Margarets Bay (DDC)	n/a	£1,150.00	n/a	n/a	n/a	n/a	NNDR included but reviewing this.
Kingsdown (DDC)	n/a	n/a	n/a	n/a	£450.00	n/a	NNDR not included.
Walmer (DDC)		£1,200.00			n/a		5 yearly licences offered. NNDR not included
Torbay	£520.00	£702.00	n/a	n/a	n/a	£250.00	
AVERAGE	£695.00	£995.40	£100.50	£63.50	£489.20	£353.33	Note that this includes both resident and non-resident prices for Thanet
Swale	n/a	£950.00	n/a	n/a	£300.00	n/a	These prices do not include NNDR and VAT. The sizes are 10'x10'.

Definitions

Seasonal hire

Customer pays a fee to rent the hut which is owned by Borough or Hut Association

Annual hire

Customer pays a fee to rent the hut which is owned by Borough or Hut Association

Weekly hire

Customer pays a fee to rent the hut which is owned by Borough or Hut Association

Annual ground rent

Customer has to purchase their own hut privately or from Borough Council and then pay an annual sum