

EAST HERTS COUNCIL

JOINT MEETING OF SCRUTINY COMMITTEES – 19 JANUARY 2010

REPORT BY THE EXECUTIVE MEMBER FOR RESOURCES AND  
INTERNAL SUPPORT

8. FEES AND CHARGES 2010/11

WARD(S) AFFECTED: ALL

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**Purpose/Summary of Report**

- The purpose of this report is to detail the additional income to the Council that could be generated by increasing discretionary fees and charges in 2010/11 for a variety of services.

<b><u>RECOMMENDATIONS FOR JOINT MEETING OF SCRUTINY COMMITTEES</u></b>	
<b>(A)</b>	<b>The proposals for increases in fees and charges as detailed in Essential Reference Document 'B' be scrutinised, and</b>
<b>(B)</b>	<b>The Executive be advised of any recommendations.</b>
<b><u>RECOMMENDATIONS FOR EXECUTIVE</u></b>	
<b>(A)</b>	<b>The comments of Scrutiny Members be noted, and</b>
<b>(B)</b>	<b>The increases in fees and charges as detailed in Essential Reference Document 'B', be approved.</b>

1.0 Background

1.1 Members will recall that unlike in previous years where increases in fees and charges have been based on a percentage, the Council has now adopted a fees and charges strategy and a set of key principles on which fees and charges should be set.

1.2 These include:

- Any subsidy from Council Tax payers should be deliberate choice

- Discretionary fees should generate income to help deliver improvements in priority services
- Discretionary fees and charges should support the MTFP
- A measure of consistency in setting charges for similar services
- Levels should be set to avoid unnecessary subsidies from the council taxpayer to commercial operations
- If impact likely to be high the consideration given to phasing in of changes

1.3 Following adoption of the strategy, Officers submitted a structured review of their fees and charges to the relevant Scrutiny Committee for comment.

1.4 Officers were then requested to bring forward proposals having regard to the principles of the strategy and comments from Scrutiny. They were also asked to take into account the underlying costs of the service in formulating proposals. A proportionate approach having regard to the level of income generated within each service area has also been advocated.

## 2.0 Report

2.1 Having both the strategy and comments from scrutiny in mind, officers have prepared proposals for increasing fees and charges for 2010/11, the details of which are set out in **Essential Reference Paper 'B' on pages 8.7 - 8.30**. Following the Government's announcement that VAT will revert back to 17.5% from 1<sup>st</sup> January 2010, charges are shown excluding VAT and including VAT at 17.5% only. Comments relating to individual service areas are identified below.

2.2 It is proposed to increase commercial waste collection charges to reflect the increase in HCC disposal costs and landfill tax increase.

2.3 Allotment charges have been increased to bring them in line with neighbouring town councils.

2.4 For Environmental Health Licences and Promotions it is not possible to calculate how much of the service costs are recovered through the fees as budgets are not set to such detail. But all fees are either statutory or based on cost recovery through hourly rate calculations. Whilst the proposed increases may generate some

extra funds, the economic downturn means other income will be reduced with the aim of a net effect of 'break even'.

- 2.5 Rents for Hostels and Bed and Breakfast charges will be amended once government legislation is in place.
- 2.6 The Executive of 8 September 2009 accepted an outline ten year business case for the development of Castle Hall which included a review of fees and charges. The fees and charges that will be applied if development work goes ahead have been restructured, streamlined and increased in support of the remodelled and refurbished venue in accordance with the business plan. These are included in **Essential Reference Paper ' B' on pages 8.7 - 8.30** along with proposed increases to the existing fee structure if the development does not go ahead as planned. Additional income from the existing structure if there is no re-development is included in the table below.
- 2.7 No increase is proposed in the substantive part of discretionary Land Charges fees. The current level of charging avoids any subsidy from the taxpayer and is felt to be appropriate in the current economic climate. It also accounts for the statutory requirement that the service should be provided at cost.
- 2.8 It is proposed to make a slight increase to legal charges to reflect the objective of ensuring the cost of the services are not subsidised by the taxpayer. However it is not anticipated this will make any significant additional income.
- 2.9 In view of the strategic review of markets currently being undertaken by Community Scrutiny Committee and within the context of the recession, it is proposed that a modest increase in line with inflation is applied to market charges for next year, subject to the recommendations arising from Scrutiny.
- 2.10 The Hackney Carriage service is subsidised by the council taxpayer and it is proposed that fees and charges are to be increased above the inflation rate to reduce the subsidy over time.
- 2.11 The majority of Development Control fees are set by Government and no increase is anticipated at present for next year. Those for Building Control are fully delegated and set in partnership with other Herts authorities. It is anticipated working with them to decide any fee increase early in the new year. There are minor increases in Miscellaneous Building and Development Control

fees but any likely additional income is insignificant. The estimated service costs to which charges relate / proportion of service costs to be met by service users, are not specifically identified.

2.12 The table below summarises the assumptions for additional income from fees and charges in the MTFP and the Officer proposals. It shows that current proposals will result in £51k per annum, adverse effect on the MTFP.

<b>Service</b>	<b>MTFP £</b>	<b>Officer Proposals £</b>
Allotments	0	200
Castle Hall	3,200	2,600
Pest Control	1,200	650
Clinical Waste	2,000	1,450
Domestic Waste	1,900	1,000
Commercial Waste	10,800	25,900
Env Health Promotions	150	0
Licences Env Health	500	0
Animal Control	40	0
Hackney Carriage	4,500	5,000
Development Control Misc	100	0
Building Control Misc	50	0
Development Control	26,200	0
Building Control	22,500	0
Legal Fees	1,200	0
Land Charges	8,900	0
Markets	4,600	2,900
Farmers Markets	280	150
Hostels	3,500	0
<b>Total</b>	<b>91,620</b>	<b>39,850</b>

### 3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A' on page 8.6.**

#### Background Papers

None.

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## ESSENTIAL REFERENCE PAPER 'A'

<p>Contribution to the Council's Corporate Priorities/ Objectives (delete as appropriate):</p>	<p><b>Promoting prosperity and well-being; providing access and opportunities</b>  <i>Enhance the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.</i></p> <p><b>Fit for purpose, services fit for you</b>  <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i></p> <p><b>Pride in East Herts</b>  <i>Improve standards of the neighbourhood and environmental management in our towns and villages.</i></p> <p><b>Caring about what's built and where</b>  <i>Care for and improve our natural and built environment.</i></p> <p><b>Shaping now, shaping the future</b>  <i>Safeguard and enhance our unique mix of rural and urban communities, ensuring sustainable, economic and social opportunities including the continuation of effective development control and other measures.</i></p> <p><b>Leading the way, working together</b>  <i>Deliver responsible community leadership that engages with our partners and the public.</i></p>
<p>Consultation:</p>	<p>Directors and Heads of Service</p>
<p>Legal:</p>	<p>The Council has the power to set the charges described in the report</p>
<p>Financial:</p>	<p>Financial implications are contained within the report</p>
<p>Human Resource:</p>	<p>None</p>
<p>Risk Management:</p>	<p>Additional income has been estimated on current levels of service. In some instances there could be commercial risk of decrease in service following any price increases.</p>