

EAST HERTS COUNCIL

JOINT SCRUTINY – 17 JANUARY 2012

THE EXECUTIVE – 7 FEBRUARY 2012

REPORT BY THE EXECUTIVE MEMBER FOR RESOURCES AND
INTERNAL SUPPORT

FEES AND CHARGES 2012 / 13

WARD(S) AFFECTED: ALL

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 2012/13 for a variety of services.

<u>RECOMMENDATION FOR : JOINT SCRUTINY</u>	
(A)	The proposals for increases in fees and charges as set out in Essential Reference Document ‘ B ‘ be scrutinised, and
(B)	The following comments be submitted to the Executive
<u>RECOMMENDATION FOR : EXECUTIVE</u>	
(A)	Comments from Scrutiny be noted, and
(B)	The increases in fees and charges as set out in Essential Reference Document ‘ B ‘ be approved.

1.0 Background

1.1 Members will recall that the Council has now adopted a fees and charges strategy and a set of key principles on which fees and charges should be set, rather than just a percentage increase.

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 the impact is likely to be high then consideration be given to the phasing in of changes

1.3 Officers were requested to bring forward proposals for 2012/13 having regard to the principles of the strategy but a proportionate approach having regard to the level of income generated within each service area has also been advocated.

2.0 Report

2.1 Officers have prepared proposals for increasing fees and charges for 2012/13, the details of which are set out in **Essential Reference Paper 'B'**. Comments relating to individual service areas are set out below.

2.2 Proposals for increases in car parking pay and display charges were considered by the Executive at its meeting on 10 January 2012 and a decision on any increase deferred until the parking review is complete. However, proposals for residents parking scheme permits and other miscellaneous permits are considered as part of this report and will generate an additional £2,100.

2.3 Whilst it is not proposed to increase hostel rents for 2012/13, it is proposed to increase charges for Bed & Breakfast accommodation by 5%. This is in anticipation of suppliers increasing their charges by RPI levels.

2.4 Few changes are recommended for Planning and Building Control fees for the 2012/13 year. There were significant increases to the Pre-Application fees last year and further increases now are not considered to be justified. A new charge is to be introduced for the retrieval of microfilm records which may be stored externally. Misc charges otherwise are proposed to remain unchanged to reflect the Information Commissioner requirements that costs should reflect those involved only in the provision of the information requested.

2.5 The self-setting of Development Control fees remains under consideration by the Government. No decision has been made

whether these will proceed. However, if they do, this may result in increased income for the Council as it is anticipated that it will be required that the costs of the service are met by fee income.

- 2.6 The report proposes to increase Legal fees in line with inflation for 2012/13 generating an additional £1,400.
- 2.7 There are no proposals to increase Land Charges fees in 2012/13 in line with statutory requirements.
- 2.8 With regard to Markets and Farmers Markets it is proposed to increase in line with inflation, the Licences fees and Farmers Markets fees, leaving market pitch fees at the current rate.
- 2.9 It is proposed that only a modest increase generally in line with inflation be applied to room hire rates at Hertford Theatre which will generate an additional £2,300.
- 2.10 Increases in non – statutory Environmental Health Licences are proposed that will generate an additional £1,500 in 2012/13.
- 2.11 An increase to the Hackney Carriage fees simply in line with inflation for 2012/13, is proposed, resulting in £3,200 additional income to the Council.
- 2.12 It is proposed to make a small increase to pest control charges however it is not anticipated that this will result in additional income to the Council. This is due to the proportional increase in the number of residents on Benefits, which has reduced service income overall.
- 2.13 There were significant increases to Bulky Waste charges last year. The economic climate means that any further increase in charges are likely to result in a more than proportional loss in business income
- 2.14 Clinical Waste charges have been restructured to reflect a change in legislation which reduces the cost of disposal for some customers and increases it for others depending upon their type of clinical waste. Additional income of £1,600 to the Council is expected.
- 2.15 For the Commercial Waste Service there is a forecast reduction of £71,200 in income against last years' base budget. Officer proposals would result in £42,400 additional income to recover

rising landfill costs which would partly offset this position. The current economic climate has resulted in a fall in commercial waste business. In addition, Government changes to Waste Regulations from 1st April 2012 mean that waste from schools will now be considered 'commercial waste', attracting a disposal charge which must be recovered. This is reflected in the higher charges for these customers.

2.16 The table below summarises the assumptions for additional income from fees and charges in the MTFP and the Officer proposals based on 2012/13 expected income levels. It shows that current proposals will generate an additional £55,300 which will result in a favourable effect of £20,000 per annum on the current MTFP assumptions. However, this will be partly offset by the £9,550 reduction in the underlying income streams due to volume changes arising from economic activity. The figures below show the income excluding VAT.

Service	2011/12 Estimate £	2012/13 Estimate (excluding Officer Proposals) £	MTFP £	Officer Proposals £
Hertford Theatre	61,050	90,000	1,500	2,300
Pest Control	39,050	38,650	1,000	0
Clinical Waste	60,400	64,000	1,500	1,600
Domestic Waste	49,000	38,000	1,200	0
Commercial Waste	475,200	404,000	11,900	42,400
Env Health Promotions	2,800	2,800	100	0
Licences Env Health	13,900	13,900	350	1,500
Hackney Carriage	136,000	128,000	3,400	3,200
Development & Building Control Misc	4,650	4,650	100	0
Legal Fees	55,000	56,000	1,400	1,400
Land Charges	217,000	219,000	5,400	0
Markets	140,800	140,800	3,500	300
Farmers Markets	7,150	7,150	150	150
Hostels	80,000	120,000	2,000	0
Bed & Breakfast	1,000	6,500	0	350
Residents Parking	73,250	73,250	1,800	2,100
Total	1,416,250	1,406,700	35,300	55,300

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'**.

Background Papers

None

Contact Member: Councillor Michael Tindale, Executive member for Resources and Internal Support

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ESSENTIAL REFERENCE PAPER 'A'

<p>Contribution to the Council's Corporate Priorities/ Objectives (delete as appropriate):</p>	<p>Promoting prosperity and well-being; providing access and opportunities <i>Enhance the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.</i></p> <p>Fit for purpose, services fit for you <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i></p> <p>Pride in East Herts <i>Improve standards of the neighbourhood and environmental management in our towns and villages.</i></p> <p>Caring about what's built and where <i>Care for and improve our natural and built environment.</i></p> <p>Shaping now, shaping the future <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>Leading the way, working together <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>