

EAST HERTS COUNCIL

JOINT MEETING OF SCRUTINY COMMITTEES – 14 JANUARY 2014

EXECUTIVE – 4 FEBRUARY 2014

REPORT BY THE EXECUTIVE MEMBER FOR FINANCE

FEES AND CHARGES 2014/15

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 2014/15 for a variety of services.

RECOMMENDATIONS FOR JOINT MEETING OF SCRUTINY COMMITTEES:

(A)	The proposals for increases in fees and charges, as detailed in Essential Reference Paper ‘B’ be scrutinised; and
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(B)	The Executive be advised of any recommendations.
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RECOMMENDATIONS FOR THE EXECUTIVE:

(A)	Any comments made by the Joint meeting of Scrutiny Committees on the 14 January 2014 be considered; and
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(B)	The increases in fees and charges as detailed in Essential Reference Paper ‘B’ be recommended to Council.
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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 of the increase 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 2014/15 having regard to the principles of the strategy. 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 2014/15, 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 increasing car parking pay and display charges are to be brought forward as a separate report to the Executive. It is proposed that residents parking scheme permits and other miscellaneous permits are frozen for 2014/15.
- 2.3 Whilst it is not proposed to increase hostel rents for 2014/15, it is proposed to increase the charges for Bed and Breakfast accommodation by 2.5%.
- 2.4 There are a few changes recommended for Planning and Building Control fees for the 2014/15 year. It is expected that these amendments and increases will generate additional income of £5,000.
- 2.5 There are no proposals to increase Land Charges and Electoral fees in 2014/15 as the current charges reflect the cost of service delivery.
- 2.6 The report proposes to increase Legal fees by 4.8% for 2014/15 generating an additional £2,800.

- 2.7 With regard to Markets and Farmers Markets there is no proposal to increase fees in 2014/15, as an increase could adversely affect our town centres, however it is proposed to increase market licences by 2% generating additional income of around £500.
- 2.8 There is a new charge proposed, electricity fees for market stalls. Potential income that this may generate is currently unknown and will be reviewed for 2015/16.
- 2.9 Room hire rates at Hertford Theatre are to be increased in 2014/15 in line with inflation. The charges have been held since April 2012. It is planned that this two year cycle will be maintained as a way of enabling new hirers to establish themselves and remain competitive.
- 2.10 It is proposed to increase most non – statutory Environmental Health Licences in line with inflation for 2014/15. Some of the Houses in multiple Occupation charges have been increased above inflation, this has been offset by omission of some additional charges and new discount offer for complete applications.
- 2.11 The Licensing, Gambling and Taxi fees and charges will be subject to a full review in January to ensure compliance with new case law. A separate report will be presented with the findings and recommendations from this review. Therefore no proposals will be put forward as part of this report.
- 2.12 Pest control charges are to be increased in line with inflation for 2014/15. It is also proposed to increase concessionary charges for this service from £10 to £15 this could generate additional income of up to £1,000. There is no price increase for wasps due to competitive pressures.
- 2.13 Pest Control are also piloting some new services in 2014/15 detailed in the Appendix, the take up and level of potential income from these is not currently known and will be reviewed for 2015/16.
- 2.14 The report proposes to increase Domestic Paid Loads by an average of 2% for 2014/15. The charges are now designed to set a £10 per item pattern after the initial charge.
- 2.15 Clinical Waste charges have been increased by an average of 1.7% for 2014/15.

2.16 The report proposes that commercial waste charges for 2014/15 are increased by an average of 4%. This should generate additional income of about £21,000, but this is not a net increase. It reflects above inflation increases in disposal costs from the County Council which result from the Government's landfill tax escalator and contract inflation on HCC's disposal contract.

2.17 The table below summarises the assumptions for additional income from fees and charges in the MTFP and the Officer proposals based on 2014/15 expected income levels. It shows that current proposals will generate an additional £37,200 which will result in an unfavourable effect of £800 per annum on the current MTFP income assumptions. However, this is more than offset by the £95,130 increase in the underlying income streams due to changes in volume. The figures below show the income excluding VAT. Any additional expenditure that has generated the requirement to increase income will be shown in other financial reports.

Service	2013/14 Estimate £	2014/15 Estimate (Excluding Officer Proposals) £	MTFP £	Officer Proposals £
Hertford Theatre	125,000	137,000	3,070	3,400
Pest Control	37,100	38,000	850	1,500
Clinical Waste	77,600	93,100	2,090	1,600
Domestic Waste	33,800	31,800	710	600
Commercial Waste	497,600	526,230	11,800	21,000
Env Health Promotions	2,800	3,000	70	-
Licences Env Health	15,750	15,750	350	600
Hackney Carriage	139,600	139,600	3,130	-
Development and Building Control Misc	50,000	60,000	1,120	5,000
Legal Fees	58,400	58,400	1,310	2,800
Land Charges	219,000	247,000	5,540	-
Markets	132,950	134,850	3,020	500
Farmers Markets	7,450	7,450	170	-
Hostels	120,000	120,000	2,690	-
Bed and Breakfast	7,000	7,000	160	200
Residents Parking	85,350	85,350	1,920	-
Total	1,609,400	1,704,530	38,000	37,200

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

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