

EAST HERTS COUNCIL

JOINT SCRUTINY COMMITTEE – 18 JANUARY 2011

THE EXECUTIVE – 8 FEBRUARY 2011

REPORT BY THE EXECUTIVE MEMBER FOR RESOURCES AND
INTERNAL SUPPORT

FEES AND CHARGES 2011 / 12

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- This report sets out the additional income to the Council that would be generated by proposed increases to discretionary fees and charges in 2011/12.

<u>RECOMMENDATION FOR DECISION BY JOINT SCRUTINY COMMITTEE : that</u>	
(A)	the proposals for increases in fees and charges as set out in Essential Reference Paper ‘ B ‘ be scrutinised;
(B)	a concessionary rate of planning pre-application fees for Charities and Parish and Town Council be considered; and
(C)	comments be submitted to the Executive.
<u>RECOMMENDATION FOR DECISION BY EXECUTIVE</u>	
(A)	comments from Scrutiny be considered;
(B)	a concessionary rate for planning pre-application fees for Charities and Parish and Town Councils be approved / not approved; and
(C)	the increases in fees and charges as set out in Essential Reference Paper ‘ B ‘ be approved.

1.0 Background

1.1 Members will recall that the Council has adopted a fees and charges strategy and a set of key principles on which fees and charges should be set.

1.2 These principles include:

- Any subsidy from council tax payers should be by 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 2011/12 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 2011/12, the details of which are set out in Essential Reference Paper 'B'. Following the Government's announcement that VAT will increase to 20% from 4 January 2011, charges are shown both excluding VAT and including VAT at 20%. Comments relating to individual service areas are set out below.

2.2 It is proposed to increase commercial waste collection charges to fully recover the increase in costs arising from HCC disposal costs and landfill tax and the higher collection costs associated with these tasks from the new Refuse, Recycling and Street Cleansing Contract.

2.3. For Environmental Health Licences a small increase in line with inflation is proposed but with no increase in Environmental Health Promotions.

- 2.4 It is not proposed to increase rents for Hostels and Bed and Breakfast charges in 2011/12 as there is unlikely to be a Council Tax increase and there are uncertainties around housing benefit.
- 2.5 There are no increases in fees and charges for Hertford Theatre. The business plan was approved by Executive in May 2010 and included a range of new charges for when the venue re-opened and which were to be carried through to 2011/12.
- 2.6 Recent changes in legislation have required the Authority to consider changes in the way it provides the local land charges service. Personal searches can be undertaken without charge and the proposals include a reduction in some fees with the aim of limiting the incentive to avoid the fee by making a personal search. The fee structure identified meets the cost of providing the service based on an anticipated turnover of 2,500 search enquiries. The revised charging structure is comparable with fee structures in neighbouring authorities. The proposal, in line with statutory requirements will deliver estimated income of £217,000. If accepted this would have an impact of limiting the loss of income to £43,000. Fees could be left unchanged if the risk of a greater loss of income from more use of personal searches is accepted. There is a risk of challenge given the lack of alignment with fees charged elsewhere.
- 2.7 It is proposed to increase legal fees above inflation which will generate an additional £ 5,500.
- 2.8 With regards to Markets and Farmers' Markets, it is proposed that only a modest increase in line with inflation is applied for next year.
- 2.9 The Hackney Carriage service is currently subsidised by the Council and it is proposed to increase fees above inflation to reduce this subsidy. It is anticipated that the proposed increases for 2011/12 will generate an additional £13,000 which is included as a saving elsewhere in the budget papers.
- 2.10 The majority of Development Control fees are set by Government and no increase is anticipated at present for next year. However, the Government has indicated a wish to move towards locally set fees and is currently canvassing views on a move to this which could be introduced during 2011/12 financial year. The Pre-Application fee structure has changed with further categories being introduced. It is anticipated that this will generate additional income

of £7k in 2011/12 and this appears as a saving elsewhere in the budget papers.

- 2.11 The regulations governing fees for Building Control changed during the year and required a new set of fees to be introduced in October 2010. The setting of the fees for Building Control are now fully delegated and set in partnership with other Herts authorities. It is anticipated that they will be reviewed again prior to April 2011 but it is unlikely there will be any financial impact. There are minor increases in Miscellaneous Building and Development Control fees but any likely additional income is insignificant.
- 2.12 Where Charities and Parish and Town Councils are contemplating development, pre-application charges can be perceived as onerous in the context of their sometimes relatively small budgets. In terms of overall workload, volumes from these groups are modest. The cost to council tax payers generally of say a 25% reduction to achieve a concessionary rate would be low – less than £5k per year.
- 2.13 Proposals for increases in car parking pay and display charges will be considered by the Executive at its meeting on 11 January 2011. But as detailed in the 2009/10 MTFP and linked PID, Elm Road car park will be re-designated as long stay only with effect from April 4 2011 and new charges will apply. However, proposals for residents parking scheme permits and other miscellaneous permits are considered as part of this report and will generate an additional £2,000.
- 2.14 All town centre CCTV charges will now be based on a cost recovery basis only and made equitable by using a cost per camera charge. Hertford Town Council already pay their own transmission fees and do not require insurance cover. Their 'per camera' charge is adjusted by this amount.
- 2.15 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 generate an additional £22,550 which will result in an unfavourable impact of £8,000 (taking into account the land charges proposal) on the MTFP. The figures below show the income excluding VAT. Where VAT is payable the increase to the customer will be the sum shown plus the VAT increase.

Service	MTFP £	Officer Proposals £
Hertford Theatre	* 1,400	0
Pest Control	950	1,400
Clinical Waste	1,500	1,500
Domestic Waste	950	1,000
Commercial Waste	9,300	36,000
Env Health Promotions	50	0
Licences Env Health	350	300
Hackney Carriage	3,050	0
Development & Building Control Misc	100	0
Legal Fees	1,200	5,500
Land Charges	6,500	(43,000)
Markets	3,700	3,000
Farmers Markets	150	150
Hostels	1,350	0
Residents Parking	0	2,000
CCTV	0	14,700
Total	30,550	22,550

* prior to approval of business plan

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 M Tindale, Executive member for

Resources and Internal Support

Contact Officer: Simon Chancellor – Head of Financial Support
Services – Ext 2050

Report Author: Mandy Barton – Accountancy Manager

ESSENTIAL REFERENCE PAPER 'A'

Contribution to the Council's Corporate Priorities/ Objectives <i>(delete as appropriate):</i>	<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>Leading the way, working together <i>Deliver responsible community leadership that engages with our partners and the public.</i></p> <p>Fees and charges set a balance between service user and council tax payers in meeting the cost of relevant services. Where the council competes with other providers full cost recovery enables fair competition.</p>
Consultation:	Directors and Heads of Service
Legal:	The Council has the power to set the charges described in the report
Financial:	Financial implications are contained within the report
Human Resource:	None
Risk Management:	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.