

RURAL, ECONOMIC & ENVIRONMENTAL AFFAIRS COMMITTEE

4th SEPTEMBER 2013

REPORT OF HEAD OF CENTRAL SERVICES

A CORPORATE REVIEW OF CHARGES 2014-15

1.0 PURPOSE OF REPORT

- 1.1 To provide information on the various fees and charges that are made by this committee.
- 1.2 To recommend changes to these charges to operate from 1st April 2014

2.0 RECOMMENDATIONS

- 2.1 That the committee determines the level of charges for 2014-15 for each of the services set out in the attached table to operate from 1st April 2014.
- 2.2 That the committee provisionally determines the level of licensing - hackney carriage / private hire charges for 2014-15 as paragraph 3.8.6 refers.
- 2.3 It is recommended that the Committee set provisional fees of £275 and £300 for Scrap Metal Dealers and Premises respectively, in accordance with the methodology set out at para. 3.9.2 below, and that authority is delegated to the Head of Regulatory Services to adjust these in accordance with the Government toolkit when published.

3.0 BACKGROUND

All charges

- 3.1 As set out in the constitution only new proposed charges or charges that were proposed to be increased above or below inflation are considered by members As such statutory charges have not been included within the report for consideration by members.
- 3.2 Appendix A shows the proposed charges for services that fall outside delegated authority. The table also summarises the financial objective of the current charging policy, the existing charges, the current level of any subsidy and the reason for the recommended charge.
- 3.3 There is a charging policy included in the MTF5; this should be used as a guideline when setting fees and charges.
- 3.4 As part of the review process managers are asked to complete a "review of charges form for 2014-15" for each distinct charging area. The aim of this process is to gather background information to the charges being reviewed. A set of completed forms will be available at the meeting.
- 3.5 Appendix B shows the list of services that are currently provided free of charge, this is due to a number of reasons such as information being provided as a result of Freedom of Information requests, information being accessible via the website or there being limited demand.

3.6 **Building Control**

- 3.6.1 At the REEA Committee of the 29th May 2013, it was approved that delegated authority be given to the Head of Regulatory Services to deviate from the published Building Control fees. In accordance with the Building (Local Authority Charges) Regulations 2010; fees are to be assessed on an individual job by job basis based on the level of risk of non-compliance of the Building Regulations.

3.7 **Development Control**

- 3.7.1 Development Control fees are prescribed by central Government therefore no change is proposed to these fees. However, it should be noted that an updated statutory instrument for fee regulations has been laid in Parliament recently. The regulations related to Deemed Applications, Requests and Site Visits. As part of the regulations any fee paid by an applicant in respect of an application for planning permission or for the approval of reserved matters shall be refunded to the applicant in the event that the local planning authority fail, or the Secretary of State, if the authority fails, to determine the application within 26 weeks of the date when a valid application. The regulations are due to come into force on 1 October.
- 3.7.2 As of April 2013, the Council introduced charges for pre-application advice on domestic application as well as the previously charged for advice on major, minor and other developments.

3.8 **Licensing – Hackney Carriage / Private Hire**

- 3.8.1 The licensing of taxis and drivers is considered to be a service which, under the Charging Policy, should achieve cost recovery. Historically, the fees and charges have not reflected cost recovery and therefore this objective is not being met, with full cost recovery estimated to require an increase of over 400%.
- 3.8.2 However, Members will recall that fees set in 2013/14 did not cover the cost of their enforcement. This was on the basis that the enforcement of licences is principally for the benefit of the wider public and as such a case exists that licence applicants should not support this activity, i.e. that the fee charged should equate solely to the costs associated with acquiring a licence. On the basis that enforcement costs are excluded, the shortfall in fees to achieve cost recovery falls to an increase of 100%.
- 3.8.3 Members will also recall that an increase of 25% was agreed as an approach that balances the requirements of the charging policy with a sum reasonable to service users. It is proposed that a similar increase is provisionally agreed for 2014/15, for the same reasons. This, in combination with the increases made this year, would increase the proportion of 'cost recovery' to around 66%.
- 3.8.4 However, Taxi drivers advise that their main objection to charges is that the evidence to support the charges for licenses is questionable. They understand that it is a proportion of the overall costs of the Licensing budget but consider this to be inadequate because:
- They do not register or record the actual time taken to produce a badge or distinguish between the different elements of work carried out to directly or indirectly support this activity.
 - The time recording figures are out of date, dating back to 2008 and there is no evidence to confirm the view that they remain accurate in 2013/14.
- Drivers will be happy to pay fees that are a true reflection of costs incurred, but until this is proven there remains objection to the level of fees and any proposed increase(s).
- 3.8.5 The Committee is advised that the appropriate legislation (s 53 and s70 of the Local Government (Misc. Provisions) Act 1976) provides the remit for the setting of charges and makes separate provision for Operator's, Driver's and vehicle licences. Accordingly, the approach of assigning 40% of costs to the overall Licensing function – whilst of merit in

terms of the 'ringfencing' the taxi licensing element of the function from the remaining licensing activity – is not considered to be sufficiently detailed to determine how much resource each of the types of the licences demands and, in turn, how costs should be apportioned. This issue is also a matter of legal challenge elsewhere in the country and it is considered beneficial to ensure the basis for calculation is as robust as possible.

- 3.8.6 It is therefore considered that detailed time recording is necessary to determine the correct proportion. It is therefore recommended that setting of the charges is postponed until a sample period of time recording has taken place which addresses in more detail the demands made on resources (and therefore recoverable costs, under s53 and s70) of the individual types of licences for the 'Q3' period (October – December 2013) and that the Committee revisits this issue after that has taken place, in order to be able to set fees on a better informed basis. Accordingly, it is recommended that the increase described above is provisionally set, and that the results of time recording and cost apportionment is then used to verify or adjust the fees.

3.9 **Licensing – Scrap Metal Merchants**

- 3.9.1 The Government has introduced new legislation to require the licensing of Scrap Metal Merchants and a fee is set for the process of administering such licences based on Cost Recovery (The Scrap Metal Dealers Act 2013). The Government requires that a fee is established by late September, in order that the transition from the former regime of registration under the Scrap Metal Dealer's Act 1964 can be undertaken before the 15th October 2013 (as prescribed). However, the Government has advised that it will issue a 'toolkit' to determine how fees should be set, but this has yet to be published. It is therefore recommended that provisional fee is set based on our understanding to date, and that authority to vary that fee in accordance with the forthcoming toolkit, should it be necessary, is granted to the Head of Regulatory Services.

- 3.9.2 There are 4 such licences in the Borough and it is anticipated that the Licences concerned will take approx. 3 hours (in the case of Dealers Licences) and 4 (in the case of Premises Licences), encompassing the registration, inspection and administrative costs etc involved which will involve a variety of staff, on varying grades of pay. This equates to approx 0.005% of the total of licensing activity which, in budgetary terms (including staff time and all relevant materials and support costs) amount to approx, £1100. Accordingly, it is recommended that a provisional fee is set at:

- in the case of Dealers Licences £275
- in the case of Premises Licences £300

3.10 **Car Parks and Bus Station**

- 3.10.1 The car parking fees and charges are unchanged pending the review of the Car Park Strategy which will inform a more strategic pricing structure. The Head of Communities and Neighbourhoods expects that the Car Park Strategy will be completed in early 2014 and the fees and charges will be reviewed as a result.

3.11 **Cattle Market**

- 3.11.1 The car parking charges at the Cattle Market will be reviewed in line with the Car Park Strategy, as 3.9.1 refers.

- 3.11.2 Discussions are currently in place around the service charge levels levied on the traders and a separate report will be brought to the Committee in early 2014.

4.0 **POLICY & CORPORATE IMPLICATIONS**

- 4.1 The fees and charges set out in this report are the ones that do not meet the charging policy set in line with corporate and service objectives; these vary according to the service

provided. More detailed explanations on each service's corporate implications can be found on the forms available at the meeting.

5.0 FINANCIAL & OTHER RESOURCE IMPLICATIONS

5.1 Financial and resource implications have been addressed within paragraph 3. Once approved, these charges will be built into the 2014-15 revenue budget process.

5.2 Some services include chargeable and non chargeable elements. In line with the charging policy, the best estimate of under/over recovery of costs is included in Appendix A. Members may wish to review whether it is appropriate for those services receiving a subsidy to continue to do so.

5.3 Local Government funding continues to be reviewed and there is great uncertainty surrounding funding in later years although almost certainly will be reduced. This is reflected in the Council's MTFS and places a greater onus on the Council to seek to maximise its income from other sources.

6.0 LEGAL IMPLICATIONS/POWERS

6.1 Local Authorities have certain limited freedoms to charge for discretionary services under the Local Government Act 2003. Where appropriate any other relevant legislation is noted within the Appendix A to this report.

7.0 COMMUNITY SAFETY

7.1 There are no direct links to community safety arising from this report.

8.0 EQUALITIES

8.1 An equalities impact assessment (EIA) has been completed for the charging policy previously agreed by PFA.

8.2 An EIA will be completed as part of the review of the licensing hackney carriage / private hire fees and charges as paragraph 3.8.6 refers.

9.0 RISKS

9.1 A possible risk to the Council is that budgeted revenue income may not be achieved if services are not taken up due to any charges increase. Income budgets are regularly monitored and where a downturn in demand is identified appropriate action is taken.

10.0 CLIMATE CHANGE

10.1 There are no climate change issues directly arising from this report.

11.0 CONSULTATION

11.1 Budget Holders carried out the review with the assistance of the Service Accountant as required with reference to current budget monitoring protocols.

11.2 The Head of Regulatory Services has carried out a consultation exercise with the Taxi Drivers over the license charges for Hackney Carriage / Private Hire.

12.0 WARDS AFFECTED

12.1 All wards are affected.

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Appendices: Appendix A – Review of Fees and Charges
Appendix B – Services provided free of charge

Background Papers: Forms for the Review of Charges
Charging Policy

Reference: X:/Cttee, Council & Sub Cttees/REEA/2013-14/04-09-13/
Review of Charges 2014-15