

AGENDA ITEM 10

RURAL, ECONOMIC & ENVIRONMENTAL AFFAIRS COMMITTEE

3rd SEPTEMBER 2014

REPORT OF HEAD OF CENTRAL SERVICES

A CORPORATE REVIEW OF CHARGES 2015-16

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 2015

2.0 RECOMMENDATIONS

- 2.1 That the committee determines the level of charges for 2015-16 for each of the services set out in the attached table to operate from 1st April 2015.
- 2.2 That the committee provisionally determines the level of licensing - hackney carriage / private hire charges for 2015-16 as paragraph 3.8.5 refers.

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. Those that are increased in line with inflation are approved by the Head of Central services under delegated authority.
- 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 MTFIS; 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 2015-16" 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 For information 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; certain

fees can be assessed on an individual job by job basis based on the level of risk of non-compliance of the Building Regulations.

- 3.6.2 The Building (Local Authority Charges) Regulation 2010 require that building regulation charges relate to the costs of carrying out the building regulations chargeable service. The CIPFA guidance on the Charges Regulations 2010 states that Local Authorities are to calculate charges to achieve full cost recovery by relating the hourly charge of Local Authority building control officers to the time spent carrying out their chargeable building control regulation functions and advice. The Regulations also require the chargeable functions to break even over a reasonable period of time, normally three years. Currently, the chargeable function rolling three year position is a deficit of £100k. An element of this deficit has therefore been built into the hourly rate calculation to reduce it. Due to the timing of the fees and charges process, the hourly rate proposed for 2015/16 is based on estimated costs of carrying out the building control service and related demand and is therefore subject to verification.

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 Planning Fees Regulations introduced a new fee for prior approval applications which came into force on 31 July 2014. Applications for prior approval for change of use attract a fee of £80, which was introduced in October 2013. Where an applicant applies for prior approval for change of use from shops and financial and professional services, or from agricultural buildings to a dwelling house, without associated building operations the £80 fee will continue to apply. However a new fee of £172 will apply where an applicant applies for prior approval for change of use and to carry out associated building operations.

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 300%.
- 3.8.2 Members will also recall that an increase of 25% was agreed in the last 2 years 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 2015/16, for the same reasons.
- 3.8.3 Detailed time recording took place between October and December 2013 to examine whether the cost apportionment assigned to taxi licences (traditionally 40% of the overall licensing budget) was accurate to determine the correct proportion and to distinguish between Operator's, Driver's and vehicle licences. The results of this were reported to the Committee in March 2014 explaining that the 'measured' outcome was 43%, and that the current (2014/15) fee levels would result in recovery level of approx. 51%. The proposed increase by a further 25% would create a recovery rate of approx 62% (subject to confirmation of the budget for 2015/16 and verification that cost apportionment remains accurate).
- 3.8.4 It is therefore recommended that the final setting of the charges is postponed until a further sample period of time and activity recording has taken place which verifies and/or adjusts our understanding of cost apportionment (and therefore recoverable costs, under s53 and s70) for the individual types of licences for the 'Q3' period (October – December 2014) and that the Committee revisits this issue after that has taken place, in order to be able to set fees on a fully informed and robust basis. Accordingly, it is recommended that the increase described above is provisionally set, and that the results of time & activity recording and cost apportionment is then used to verify or adjust the fees. This approach has been discussed with the Chair of the Melton Mowbray Taxi Drivers Association

(MMTDA) as a fair and accurate approach, and the Chair of the Association has assisted by providing an example methodology for the recording exercise.

3.9 Car Parks and Bus Station

3.9.1 The car parking fees and charges are recommended to remain unchanged pending the review of the Car Park Strategy which will inform a more strategic tariff structure.

3.10 Cattle Market

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

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 2015-16 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.

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.

12.0 WARDS AFFECTED

12.1 All wards are affected.

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Date: 6th August 2014

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

Background Papers: Forms for the Review of Charges
Charging Policy

Reference: X:/Cttee, Council & Sub Cttees/REEA/2014-15/03-09-14/
Review of Charges 2015-16