

AGENDA ITEM 9

RURAL, ECONOMIC & ENVIRONMENTAL AFFAIRS COMMITTEE

2nd SEPTEMBER 2015

REPORT OF HEAD OF CENTRAL SERVICES

A CORPORATE REVIEW OF CHARGES 2016-17

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 2016.

2.0 RECOMMENDATIONS

- 2.1 **That the committee determines the level of charges for 2016-17 for each of the services set out in the attached table to operate from 1st April 2016.**
- 2.2 **That the committee provisionally determines the level of licensing - hackney carriage / private hire charges on an interim basis for 2016-17 as paragraph 3.6.8 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 MTFs; 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 2016-17” 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 Licensing – Hackney Carriage / Private Hire

- 3.6.1 Members agreed to an increase in charges for hackney carriage/private hire licences at its meeting on 3rd June 2015. These were advertised as required by the legislation and have given rise to an objection. For this reason, these charges have not yet been implemented.

The Head of Regulatory Services has provided a separate report on hackney carriage/private hire fees and charges for the remainder of 2015/16. See agenda item 8

- 3.6.2 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.
- 3.6.3 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, i.e. moving towards full cost recovery.
- 3.6.4 Due to the changes made to the resource allocation and delivery of the Licensing Service in 2015 (PF&A on 7th July 2015) the cost base for such licences has changed considerably.
- 3.6.5 The shift to 3 year licensing, also agreed by PF&A on 7th July 2015, will reduce income to the Council from the source of licence fees for taxi drivers which it is estimated will equate to £26,000 over a 3 year period. Whilst this will average out to £8,500 per year over time, it is anticipated that most established drivers and operators will opt for the 3/5 year approach at the first opportunity which will create a 'peak' in year 1 followed by year 4 etc.
- 3.6.7 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 2014/15 fee levels would result in a recovery level of approx. 51%. Fees for 2015/16, and the introduction of 3 year licences, have not yet been implemented due to the receipt of objections.
- 3.6.8 It is therefore recommended that the fees are set on an **interim basis** in accordance with Appendix A but that 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, alongside a recalculation of the 'recoverable cost' implications for the recent changes to the service, 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. It is anticipated this work will be concluded in readiness for the committee meeting in January 2016.

3.7 **Car Parks and Bus Station**

- 3.7.1 The car parking charges are recommended to remain unchanged pending the review of the Car Park Strategy which will inform a more strategic tariff structure. It is expected that the review will be complete in October and subsequently reported to REEA in November. It should be noted that the current Medium Term Financial Strategy assumes an increase across all tariffs in 2016/17 valued at £80,000, reflecting the position that an across the board increase has not been applied since 2012.

3.8 **Cattle Market**

- 3.8.1 The car parking charges at the Cattle Market will be reviewed in line with the Car Park Strategy, as 3.7.1 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 2016-17 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: 10th August 2015

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/2015-16/02-09-15/
Review of Charges 2016-17