

		AGENDA ITEM NO.	
Report Cover Sheet			
Name of Meeting:		Executive	
Date of Meeting:		22 nd October 2007	
Report Title:			
Summary of report:		Proposed Fees and Charges for 2008/09	
For Further Information Please Contact (report author):		Marcus Miskinis	
Would the recommended decision be contrary to the Policy Framework:		No	
Would the recommended decision be contrary to the Budgetary framework:		No	
Wards of the District directly affected by this decision:		All	
Key Decision?		Yes	
Included within the Forward Plan?		Yes – Ref: 18	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?		No	
Date and name of meeting when issue was last considered and relevant minute number:		N/A	
Background Papers:		Executive 23 October 2006 – Approval of Fees and Charges 2007/2008 Executive 23 July 2007 – Budget Process and Prospects Executive 10 September 2007 – Off-Street Parking Strategy 2007-2012	
Consultation Undertaken Below is a table of the Council's regular consultees. However not all have to be consulted on every matter and if there was no obligation to consult with a specific consultee they will be marked as n/a.			
Consultees	Yes/ No	Who	
Other Committees	n/a		
Ward Councillors	n/a		
Portfolio Holders	Yes	Cllr Kinson, Cllr Hammon, Cllr White, Cllr Doody, Cllr Coker	

Other Councillors	n/a	
Warwick District Council recognised Trades Unions	n/a	
Other Warwick District Council Service Areas	n/a	
Project partners	n/a	
Parish/Town Council		
Highways Authority	n/a	
Residents	n/a	
Citizens Panel	n/a	
Other consultees	n/a	
Officer Approval With regard to officer approval all reports must be approved by the report author's relevant director, Financial Services and Legal Services.		
Officer Approval	Date	Name
Relevant Director(s)	24 Sept 2007	Mike Snow
Chief Executive	27 Sept 2007	Chris Elliott
CMT	27 Sept 2007	CMT
Section 151 Officer	24 Sept 2007	Mike Snow
Legal	24 Sept 2007	Simon Best
Finance	n/a	Finance Report
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. RECOMMENDATION(S)

- 1.1 The Council be recommended to approve the Fees and Charges identified in Appendix 'A' to operate during 2008/09;
- 1.2 Local Land Charge fees be submitted to the Executive when estimates have been finalised;
- 1.3 Building Control Fees be reviewed in line with guidance from the LGA / CLG later in the year.

2. REASON(S) FOR THE RECOMMENDATION(S)

- 2.1 The Council is required to update its Fees and Charges in order that the impact of any changes can be fed into the revenue estimates exercise.

2.2 Use of additional Headings

- 2.2.1 The use of sub headings as illustrated allows the report author to provide a more structured approach to the report.

Section 5 - Background

Section 6 - Fees and Charges Guidelines

Section 7 - Environment Portfolio

Section 8 - Development Portfolio

Section 9 - Culture Portfolio

Section 10 - Corporate and Strategic Leadership Portfolio

Section 11 – Conclusion

Appendix A – Fees and Charges 2008/09

Appendix B – Car Parking

Appendix C – Sports Fees Comparisons

Appendix D – Cemetery and Cremations Fees Comparisons

3. ALTERNATIVE OPTION(S) CONSIDERED

- 3.1 The various options affecting individual charges are outlined in the main body of the report, sections 7 to 10.

4. BUDGETARY AND POLICY FRAMEWORK

- 4.1 The Fees and Charges Report forms part of the Budgetary Framework which is the resource strategy for implementing the Council's corporate strategy. The Budget is informed by and informs what the Council can do.

5 BACKGROUND

- 5.1 The Council's Financial Strategy requires that in setting fees and charges the higher of the following should be used – 3% or an increase of up to 10% where our

charges are below appropriate comparators. The Car Parks Strategy aims to increase income by 10% per annum over a five year period.

5.2 The overall target is calculated as follows:

	Original Estimate 2007/08 £	Change %	Target 2008/09 £
Car Parks	2,385,000	10.0%	2,623,500
All Other Services	4,015,400	3.0%	4,135,900
TOTAL ALL SERVICES	6,400,400	5.6%	6,759,400

6 FEES AND CHARGES GUIDELINES

6.1 This report is concerned with determining the levels of fees and charges under the responsibility of business units in light of the Financial Strategy guideline outlined above.

6.2 In implementing the Financial Strategy guidelines it is appropriate to consider certain other factors when deciding what the Council's fees and charges should be:

- (a) The impact of the fees and charges levels on the implementation of the Council's overall Corporate Strategy, including the Community Plan, and the requirements of business unit's individual service plans.
- (b) The level of prices the market can bear including comparisons with neighbouring and other local authorities.
- (c) The level of prices to be sufficient to recover the cost of the service.

6.3 The revenue effects of the proposed fees and charges are summarised in the following table:

	Estimate 2007/08 £	Estimate 2008/09 £	Change %
Environment and Economic Policy			
Environmental Services	2,535,900	2,759,100	8.8%
Development Services	571,000	588,200	3.0%
Culture and Social Policy			
Cultural Services	2,869,400	3,003,900	4.7%
Housing Services	4,100	2,000	-51.2%
Audit and Resources			
Corporate and Strategic Leadership	420,000	302,000	-28.1%
TOTAL ALL SERVICES	6,400,400	6,655,200	4.0%

- 6.4 The above table shows that the total anticipated income for all services for which the Council can set charges is £6,655,200 in 2008/09, which is 4% above the original estimate for 2007/08. This is below the financial target calculated in paragraph 6.3.
- 6.5 In financial terms, the shortfall is £104,200. However, it should be noted that the changes in the Council's ability to set Local Land Charge Fees has resulted in a reduction of at least £118,000 even before taking the inflation factor into account. The true extent of the reduced income will not be known until later in the estimates' process (see Section 10). Excluding Local Land Charges from the calculation would show an increase in income of £26,400 above the target.
- 6.6 The Financial Strategy also requires that, where possible, increases of up to 10% should be sought in order to help alleviate other budget pressures in 2008/09 and beyond. Each service has carried out a review of their fee-earning activities and there is considerable variability in their ability to match or exceed the 3% target (10% for Car Parking). The following sections provide details on the major items within this review.

7 ENVIRONMENT PORTFOLIO

7.1 Car Parking

7.1.1 The table below shows the following situation with car park income:

Income Summary: (Net of V.A.T.)	Actual 2006/07 £	Estimate 2007/08 £	Revised 2007/08 £	Estimate 2008/09 £
Car Parking Charges	1,850,904	1,975,000	1,975,000	2,125,000
Season Tickets	199,676	240,000	240,000	300,000
Excess Charges	108,194	170,000	170,000	200,000
Total Income	2,158,774	2,385,000	2,385,000	2,625,000

7.1.2 This represents an overall increase of 10% over the original estimate for 2007/08 and is part of a five year strategy agreed in December 2004 to increase charges by 10% per annum from 2006/07 to 2009/10.

7.1.3 This report includes at Appendix 'B' the Amenities Manager's outline of the proposed development of the charging structure. It will be apparent that it includes proposals relating to the Council's Car Park Strategy.

7.2 Pest Control and Clearing Private Blocked Drains

7.2.1 In general the fees and charges have been increased by 3% but the Pest Control Service has been adapted to allow for savings to be made on salaries. There is a reduction from 3 Pest Control Operatives to 2 (with 1/2 of the money from the other post being retained to cover workloads through private contractors). In addition, to create more time to cope with workloads, certain aspects of the work will not now

be carried out. Both these measures have a small impact on income raised with estimated deficits as follows:

- Ceasing the Commercial pest control contracts - £3,000
- Ceasing offering a drain clearing service - £400
- Offering a free bedbug service - £330
- Ceasing the Wasp Nest Treatment Contract - £1,000

7.3 Licensing and Registration – Hackney Carriages and Private Hire Licences

7.3.1 Following a report to the Regulatory Committee on 30 July 2007 the Council introduced a 3 year fee for a combined Hackney Carriage / Private Hire Licence of £120 which replaced the exiting annual fee of £30 for a combined licence. A three year licence coincides with the period between Criminal Records Bureau (CRB) checks and the intention is that drivers licence renewals will coincide with the date their CRB check is due. This will improve the efficiency of the licensing administration function by evening out the workload. The assumption is that once the new arrangements are introduced a third of all the licensed drivers will renew their licence each financial year.

7.3.2 Drivers now arrange and pay for their own medicals following a report to the Regulatory Committee on 24 January 2007. Previously the Council arranged for the medical to be carried out at a cost of £55 per examination and recovered this from the drivers together with a £7 administration charge. The 2007/08 original estimates included a provision for 100 medicals giving a total income of £6,200. Following these new arrangements this income will no longer be received but the Council will save £5,500 in expenditure as it will no longer have to pay for the cost of the medical examinations.

7.4 Refuse Collection – Bulky Item Collection Service

7.4.1 The rate charged by the contractor for providing this collection service is likely to be in excess of the existing rate plus inflation under the terms of the new Refuse Collection contract from 1 April 2008. The Council provides a subsidised service to discourage fly-tipping and to contain the rate of subsidy provided for this service the Council's charges have been increased by more than 3%.

7.5 Refuse Collection – Garden Refuse Tickets

7.5.1 A report was sent to the Executive on 10 September 2007 recommending the removal of charges for Green Waste Collection with effect from 1 October 2007 as the green bin collection scheme is to be extended to all properties within the district who wish to participate. The income lost by removing the charges from 1 October will be approximately £440 in 2007/08 and £1,000 per annum thereafter.

8 **DEVELOPMENT PORTFOLIO**

8.1 Building Control Fees

8.1.1 Since 1 April 1999 authority to set Building Control Fees has been delegated to local authorities with the requirement that, over a rolling three year period the

service at least breaks even. The Regulations specify the work to which charges can apply and prohibit setting the charges to recover the cost of the non-fee earning work. Advice from both the LGA and the former ODPM is that any profits achieved must be reasonable and used to enhance the Building Control service. The ODPM has stated that over recent years it is concerned about the levels of surplus many authorities are reporting and indicated that it might take action. Since the fees were delegated the service has achieved a surplus every year. Fees under the LGA's model scheme were not increased in 2007/08 so WDC's own scales remained unchanged at 1st April 2007.

- 8.1.2 The Council uses the LGA's model scheme as the basis for its charges and is asked by the LGA to treat the revised scheme as business sensitive information prior to it coming into effect.
- 8.1.3 Since the LGA do not release their revised model scheme until around January / February time the Executive delegated authority to vary the Council's charges to the Head of Planning and Engineering in consultation with the Portfolio Holder.
- 8.1.4 The current charges have been included in this report to provide a fuller picture of the Fees and Charges regime but the income estimates have been increased by 3% to cover inflation. It is proposed that charges will be reviewed when the LGA revised model scheme is available later in the year so that the Financial Strategy and LGA/ODPM guidance is achieved and this is delegated to the Head of Planning and Engineering in consultation with the Portfolio Holder.

8.2 Markets

- 8.2.1 It is not proposed to increase market rents in Kenilworth for 2008/09. After Waitrose opens in Kenilworth it is anticipated that trade will increase and, accordingly, that rents will be raised in Kenilworth from 2009 to reflect the expected higher level of activity.

9 **CULTURE PORTFOLIO**

9.1 Royal Pump Room

- 9.1.1 The proposed charges for the Assembly Room and the Annexe relate to the charges to be levied by the management of these facilities (Redcliffe Catering) to the local interest groups regularly using the rooms prior to the new management arrangements.

9.2 Golf, etc.

- 9.2.1 Ticket sales at Newbold Comyn Golf Course during the first 18 weeks from April to July this year totalled 8,594 a 24% reduction in sales compared to the same period in the previous year (11,372). This can undoubtedly be attributed to the extremely adverse weather conditions through May, June and July, and sales have picked up considerably as conditions have improved since then. The revised estimate for the current year reflects the actual income received up to the end of July 2007 and estimated income for August to March based on the same period in 2006/07.

- 9.2.2 The estimate for 2008/09 is based on numbers achieved in 2006/07 which can perhaps be considered a more “typical” year.
- 9.2.3 The nearest public course to Newbold Comyn is at Brandon Wood, Coventry and, when recommending charges for the coming year, comparison is always made with their prices. Recommended charges for the main users - adult 18 holes - of £11.90 (weekdays) and £15.00 (weekends) compare with current prices of £15.75 (weekdays) and £21.00 (weekends) at Brandon. However, Brandon does offer better, improved facilities, such as a clubhouse. It is also recognised that Newbold continues to face competition from the many private courses constructed in Warwickshire over recent years. The fees proposed for 2008/09 have been increased by 3% and then rounded to a convenient figure.
- 9.2.4 Similarly, increases on annual Season tickets have been restricted to inflation-only and rounded to a convenient figure.

9.3 Sports and Leisure

- 9.3.1 The proposed charges for 2008/09 have, in the majority of cases been increased by at least 3% after rounding to a convenient price – in an attempt to remain competitive with our neighbouring swimming pools and gyms/sports halls and to appeal to our target market.
- 9.3.2 Comparisons with our neighbours along with Authorities in our Best Value Family Group can be seen as Appendix C. Such comparisons have contributed to the following recommended changes to our fees and charges:

Concessionary swim prices

Concessionary swim prices have been increased by 10% to go some way to closing the gap between adult prices and concessionary prices. The current ratio of adult to concessionary rates is 53% which places us at the bottom of the table in comparison to our family group (ratios ranging from 95% to 61%). The proposed strategy would be to increase the concessionary prices over the coming years until we reach ratio of 65%.

Casual gym prices

Casual gym prices and annual membership fees have been increased by 5% and 10% respectively. This is as a result of a benchmarking exercise with other local authorities and market testing. The investment in replacing gym equipment in October 2005 has resulted in increases in gym attendances at all sites and it is recognised that the services provided are now of a high standard and will stand a slightly higher increase in prices than the standard 3%.

Swimming Season Tickets

It is proposed that swimming season tickets are no longer available from April 2008. Season tickets are currently available for 3 and 6 months periods (date limited) throughout the year; in addition to this option swimmers can choose to pay by monthly direct debit, buy books of 10 swims for the price of 9, or pay each time they swim. It is considered that there are too many options to be efficient, and the date constraints on the season ticket mean that there are limited periods of the year when this option is worthwhile. There are, however, a significant number of swimmers currently using season tickets, so it is proposed that the swimming Direct

Debit option is reduced to £22 for 2008/09 (which makes it comparable to the cost of purchasing season tickets for 12 months). An alternative option would be to offer the reduced Direct Debit price to those who have previously held season tickets only. This would cause increased administration at the leisure centres but would reduce the loss of swim Direct Debit income.

Corporate Membership

A report is being taken to the Executive (October) recommending a review of the membership packages offered to local businesses. The report recommends two options, firstly an option whereby local companies pay a one off fee for each member of staff as a joining fee and then the staff pay as they use. The alternative option would be offering staff an opportunity to pay a monthly direct debit payment which is all inclusive.

9.4 Cemeteries

9.4.1 Comparison with our neighbouring Authorities and our Family Group for Best Value Benchmarking, included as Appendix D shows that our current charges for purchase of burial plots and interments remain the highest by some way. Accordingly, an increase based on inflation only is proposed.

9.4.2 Appendix D also shows that our charge for Interment of cremated remains is still significantly lower than most of our comparators, despite an increase of 17% when current year prices were set. A further increase of 7% to £75 is proposed for 2008/09.

9.5 Crematorium

9.5.1 The prices set for 2007/08 represented an increase of around 5.5% following increases well in excess of inflation for Cremation fees for several years. Increases of 17%, 19%, 13% and 9% in successive years took our fees from within the bottom ten in the National Statistics table of charges to approximately half way (119th out of 247) in 2006/07. The 2007/08 increase left our charge placed 191st out of 250, indicating that our last increase was lower than many.

9.5.2 Comparison with our neighbouring Authorities and our Family Group for Best Value Benchmarking, are also included as Appendix D.

9.5.3 The proposed Cremation fees for 2008/09 again represent an increase of around 12% and include an increase to contribute towards pending capital investment.

10 **CORPORATE and STRATEGIC LEADERSHIP PORTFOLIO**

10.1 Local Land Charge Search Fees

10.1.1 During 2005 the Office of Fair Trading (OFT) undertook a study into the property search market. They found a wide variation in prices charged by local authorities and that some local authorities restricted access to some property information by buyers and their agents. As a result they called for measures to increase transparency and competition in the market, along with greater liberalisation of the electronic provision of property searches.

- 10.1.2 As part of the Government's action plan for the introduction of the Home Information Pack in 2007, they have taken on board the OFT's recommendations and will set the conditions for a dynamic market that serves consumers well in the future.
- 10.1.3 The main principles underlying any charges to be set by the Council is that they should be reasonable and only attempt to achieve to recover the cost of the service.
- 10.1.4 For 2007/08 the fee has already been reduced from £140 to £100. Until the estimates have been undertaken (ensuring that the full costs of the service have been properly identified) it is not possible to calculate a fee. For the purposes of this Fees and Charges exercise it has been assumed that the £100 fee will continue.
- 10.1.5 It is proposed that the fee will be calculated and be included in the Revenue Estimates report to the Executive in December.

11 CONCLUSION

- 11.1 Overall, and excluding the uncertain position of Local Land Charges, the minimum income targets have been achieved with a small surplus of £26,400 as follows:

	£	2008/09 £
Target - Car Parks		2,623,500
Target - Other Fees and Charges		4,135,900
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Target as per paragraph 5.2		6,759,400
Land Charges Initial Estimate		(420,000)
+ 3% inflation allowance		(12,600)
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Adjusted Target		6,326,800
Appendix A estimates	6,655,200	
Less Land Charges included in above	(302,000)	6,353,200
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(Surplus) / Shortfall		(26,400)
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- 11.2 The Executive is being requested to approve the fees and charges recommended in Appendix 'A'.
- 11.3 Local Land Charge Fees need to be calculated during the estimates process in order to meet the new regulation requirements that fees should only recover costs.