

		EXECUTIVE 15 October 2008	Agenda Item No.
<b>Title</b>		Fees and Charges 2009/10	
<b>For further information about this report please contact</b>		Marcus Miskinis	
<b>Service Area</b>		Finance	
<b>Wards of the District directly affected</b>		All	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006</b>		No	
<b>Date and meeting when issue was last considered and relevant minute number</b>			
<b>Background Papers</b>		Executive 22 October 2007 - Fees and Charges 2008/09; Audit & Resources 3 June 2008 – review of Off-Street Parking Income 2007/08 Executive 23 July 2008 - Financial Strategy and Budget Prospects; Executive 23 July 2008 - Changes to Car Park Operations in Limited Stay Car Parks in Leamington;	

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	Yes
<b>Included within the Forward Plan? (If yes include reference number)</b>	Yes Ref 115

<b>Officer/Councillor Approval</b>		
With regard to officer approval all reports <u>must</u> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Relevant Director	23 Sept 2008	Mary Hawkins
Chief Executive		
CMT	25 Sept 2008	
Section 151 Officer	23 Sept 2008	Mary Hawkins
Legal	22 Sept 2008	Simon Best
Finance	22 Sept 2008	Mike Snow
Portfolio Holder(s)	29 Sept 2008	Cllrs Kinson, Hammon, White, Mrs Grainger, Doody, Kirton
<b>Consultation Undertaken</b>		
Car Parking charges have been discussed with the local Chambers of Trade		
<b>Final Decision?</b>	Yes	
<b>Suggested next steps (if not final decision please set out below)</b>		

## **1. SUMMARY**

- 1.1 The report details the proposals for Fees and Charges in respect of 2009/10.
- 1.2 Where possible, charges have been increased with regard to the requirements of the Financial Strategy.
- 1.3 Due to the current economic climate it has not been possible to meet the target by a shortfall of £125,000.

## **2. RECOMMENDATIONS**

- 2.1 The Council be recommended to approve the Fees and Charges identified in Appendix 'A' to operate during 2009/10;
- 2.2 Crematorium charges be amended as per the decision of the Executive meeting held on 29 September 2008 (paragraph 8.3);
- 2.3 Building Control fees be implemented from 1<sup>st</sup> December 2008 (paragraph 9.1).
- 2.4 The new Health and Fitness Membership scheme be implemented from 1<sup>st</sup> January 2009 (paragraph 10.4).
- 2.5 Local Land Charge fees be submitted to the Executive when new regime has been finalised (paragraph 12.1).

## **3. REASONS FOR THE RECOMMENDATION**

- 3.1 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.

## **4. ALTERNATIVE OPTION CONSIDERED**

- 4.1 The various options affecting individual charges are outlined in the main body of the report, sections 8 to 13.

## **5. BUDGETARY AND POLICY FRAMEWORK**

- 5.1 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.

## **6. BACKGROUND**

- 6.1 In accordance with the Council's Financial Strategy, the Executive in July 2008 agreed that in setting fees and charges the higher of the following should be used – 4% 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.
- 6.2 The overall target is calculated as follows:

	Original Estimate 2008/09 £	Change %	Target 2009/10 £
Car Parks	2,518,000	10.0%	2,769,800
All Other Services *	4,023,700	4.0%	4,184,600
<b>TOTAL ALL SERVICES</b>	<b>6,541,700</b>	6.3%	<b>6,954,400</b>
Local Land Charges 2008/09 only	58,900		0
	<b>6,600,600</b>		<b>6,954,400</b>

## 7. FEES AND CHARGES GUIDELINES

- 7.1 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.
- 7.2 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.
- 7.3 The revenue effects of the proposed fees and charges are summarised in the following table:

	Original Estimate 2008/09 £	Original Estimate 2009/10 £	Change %
Car Parking	2,518,000	2,577,000	2.3%
Environment	1,211,300	1,283,500	6.0%
Development	588,200	610,300	3.8%
Culture	1,920,200	2,019,400	5.2%
Housing	2,000	2,800	40.0%
Corporate and Resources *	302,000	336,500	11.4%
Legal / Documentation	0	0	
<b>TOTAL ALL SERVICES</b>	<b>6,541,700</b>	<b>6,829,500</b>	4.4%
Local Land Charges 2008/09 only	58,900	0	
	<b>6,600,600</b>	<b>6,829,500</b>	

- 7.4 The above table shows that the total anticipated income for all services for which the Council can set charges is £6,829,500 in 2009/10, which is 4.4% above the original estimate for 2008/09. This is below the financial target calculated in paragraph 6.2.
- 7.5 In financial terms, the shortfall is £124,900.
- 7.6 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 2009/10 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 4% target (10% for Car Parking). The following sections provide details on the major items within this review.

## 8. ENVIRONMENT

### 8.1 Car Parking

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

<b>Income Summary: (Net of V.A.T.)</b>	<b>Actual 2007/08 £</b>	<b>Estimate 2008/09 £</b>	<b>Revised 2008/09 £</b>	<b>Estimate 2009/10 £</b>
Car Parking Charges	1,872,681	2,043,000	1,900,000	2,170,000
Season Tickets	297,322	363,000	280,000	287,000
Excess Charges	101,460	112,000	120,000	120,000
<b>Total Income</b>	<b>2,271,463</b>	<b>2,518,000</b>	<b>2,300,000</b>	<b>2,577,000</b>

- 8.1.2 The Car Parking Strategy agreed in December 2004 agreed to increase charges by 10% per annum over 5 years to raise additional funding for investment in the car parks. The proposed 2009/10 increases are forecast to generate a 2.3% increase over the 2008/09 original estimates. It is not proving possible to achieve the 10% increases agreed in the original Car Parking Strategy.
- 8.1.3 Reports to the June Audit and Resources Committee and July Executive have highlighted the reduced levels of car parking income, especially in the limited stay car parks.
- 8.1.4 This report includes at Appendix 'B' the Head of Neighbourhood Service'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.
- 8.2 Licensing and Registration
- 8.2.1 It is proposed to introduce a £9 administration charge be added to all CRB applications for taxi drivers submitted through the Licensing Unit. The submission and attendant administration carried out by the Licensing Unit is very time consuming. The current fee charged by the CRB is £36, so it is proposed to

recover £45 to include the administration fee. Stratford-on Avon have had this charge for quite some time.

- 8.2.2 Licensing of Sex Shops: Stratford-on-Avon charge £2,500, Coventry £5,130 and Nuneaton and Bedworth £3,150. It is proposed to increase this charge from £795 to £2,000 to reflect a costing that would include compliance checks and possible prosecutions.

### 8.3 Crematorium

- 8.3.1 The Executive will be considering a report on new cremators at its meeting on 29 September 2008. The decision on new charges will be too late to include in this report.

## 9. DEVELOPMENT

### 9.1 Building Control

- 9.1.1 Building Control fees are governed by regulations that require them to breakeven on a rolling 3 year programme. In 2006/07 there was a modest profit (which was transferred to the Building Control Reserve) but in 2007/08 there was a small loss (which was financed by a transfer from the Building Control Reserve). It has not been necessary to increase the fees in recent years.
- 9.1.2 In the current economic climate it would seem that this trend is likely to continue and that we will fail to achieve a breakeven position for the year 2008/09. This being the case it is proposed to increase the Building Regulation fees as detailed in Appendix 'A' with effect from 1<sup>st</sup> December 2008. Although it is not envisaged that this will have a significant effect for the remainder of 2008/09 it is anticipated that it will achieve the breakeven position for 2009/10.
- 9.1.3 In addition to altering the fees it is also proposed to change the way fees are recovered. Currently, there is a split whereby 25% of the total fee is raised on plan submission with the remaining 75% raised on completion of the works. It is now proposed to change this to a 40% / 60% split. This will ensure greater income on partnerships and ensure that each part of the application covers its costs.

### 9.2 Development Control

#### 9.2.1 Charging for Permitted Development enquiries

The submission of a planning application for development is only necessary where the scale of development exceeds that set out in the permitted development order regulations (soon to be amended on 1 October 08). The department provides a discretionary service to members of the public providing advice on whether or not their proposal falls within the permitted development limits or not. This service requires assessment of plans against detailed regulations and involves the use of council officer resources. It is a service that is being charged for increasingly in Planning Offices throughout the Country and it is considered appropriate to introduce a charge for the service at WDC. An appropriate level of fee for this service would be £35 per permitted development enquiry.

### 9.3 Changing Street Names and Numbering

- 9.3.1 It is proposed to increase the charge from £31 to £51 to reflect the extent of work involved.

## **10. CULTURE**

### **10.1 Royal Spa Centre – Rehearsal Charges**

- 10.1.1 It is felt that this charge has been held at a low level for some years and the increase is justified in light of increased running costs of the venue (such as energy costs). The cost remains value for money when compared to other similar venues.

### **10.2 Golf Course**

- 10.2.1 Membership packages have been revised as a result of comparisons with other local golf courses, a review of existing membership data for Newbold Comyn Golf Course and to include other leisure opportunities for those choosing to purchase the top of the range package. Comparisons on pay and play fees with Brandon (Coventry) show that Newbold Comyn continues to offer good value for money for weekday 18 hole rounds (NCGC £13, Brandon £17) and weekends 18 hole rounds (NCGC £16, Brandon £22).

### **10.3 Swimming Fees**

- 10.3.1 As a result of the national free swimming initiative, members have approved the proposal to offer free swimming Warwick District Council pools in to those aged 60 and over, subject to acceptable funding offers. At the time of writing this report a decision on offering free swimming to under 16 year olds has yet to be made; this is dependant on the level of subsidy to be offered to Warwick District Council by central government.
- 10.3.2 Members may recall the move last year to close the gap between adult charges and concessionary charges. This was based on comparisons with the charges made by other authorities in our family group. As agreed last year, this gap has been reduced further with a slightly higher percentage increase in concessionary charges (excluding senior swimming which as a result of the national Free Swimming initiative is being proposed at no cost to the customer).

### **10.4 Health and Fitness Memberships**

- 10.4.1 It is proposed that the new charging structure and prices are effective from 1<sup>st</sup> January 2009 to allow the new brand to be launched at this key time of the year for health and fitness. It also coincides with the launch of the new Cultural Services brand to promote all services and activities offered by Cultural Services.
- 10.4.2 Proposals are outlined in the report to repackage membership of Pyramids gyms and swimming memberships. These are to be rebranded (details yet to be confirmed) and are designed to encourage more people to take up direct debit packages and benefit from the reduced monthly membership fees. The new charges have been set as a result of comparisons with other local gyms and a review of existing Pyramids membership data which show trends in membership retention and attrition levels.
- 10.4.3 The most significant change is the reduction of the cost of the all inclusive membership option (previously named the Royal). The proposal allows growth in income of £3,000 above the 4% required to go towards meeting the council

efficiency targets (this amount is not included in Appendix 'A'). The standard monthly fee of £30 places us as the most competitive in the local market. Through a concerted marketing and communications campaign at four key points in the year, we are anticipating memberships to grow and income to rise. We are also anticipating existing and new members to extend their length of stay with us beyond the current average length of stay (9 months). This would enable us to sustain the higher level of income. Members should note however that capacity for growth is limited due to the size and capacity of our existing fitness areas.

- 10.4.4 The improved value of the reduced monthly fee should also encourage users to move from our competitors to our product, in particular in the current economic climate, and would also encourage our existing members on the current monthly packages to take up the better value option rather than leave.
- 10.4.5 Members signing up for a minimum of 6 months on the new memberships are rewarded with a reduced monthly fee compared to those who choose not to sign up for a minimum period and join on the monthly membership. Casual pay and play options will be continued as previous years for those wishing to pay on each visit.

## **11. HOUSING**

### **11.1 HMO Licences**

There is a separate report on the agenda in respect of HMO Licenses. In future years they will be included in the Fees and Charges Report.

## **12. CORPORATE and RESOURCES**

### **12.1 Local Land Charges**

- 12.1.1 The income estimates for 2008/09 in respect of Local Land Charges were increased by £58,900 to recover one-off additional costs and have, therefore been adjusted for in the target.
- 12.1.2 The current housing market has affected the level of income recovered with the result that any shortfall should be recovered from future fees.
- 12.1.3 A new fees regime is imminent. The consultation process is currently underway and the likely implementation date is the end of the year – could be either calendar or financial year end.
- 12.1.4 As a consequence it is difficult to set a charge at this time. Figures included in Appendix 'A' are the best estimate of what might happen.
- 12.1.5 It is proposed that the fees will be calculated and be included in the Revenue Estimates using the best estimates of what is likely to happen. A report will be made to the Executive once the situation has been resolved.

### **13. LEGAL / DOCUMENTATION**

#### **13.1 Photocopying Charges**

- 13.1.1 There has been no standard photocopying charge across the Council and different Business Units have used different rates.
- 13.1.2 Recent case law (Martkinson v Information Commissioner 28/3/06) has raised the question of what is a reasonable charge for photocopying. It was decided that, except in certain cases, it was not reasonable to charge more than that being charged by commercial photocopying shops (around 10p for a side of A4).
- 13.1.3 It is proposed to introduce a standard set of photocopying charges for use throughout the Council.

### **14. CONCLUSION**

- 14.1 Overall, it has not been possible to set fees that will achieve the required target due to some of the larger income generating services suffering from adverse economic conditions. The net shortfall is shown below:

	<b>2009/10 £</b>
Target - Car Parks	2,769,800
Target - Other Fees and Charges	4,184,600
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<b>Target as per paragraph 6.2</b>	<b>6,954,400</b>
Appendix A Estimates	6,829,500
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<b>(Surplus) / Shortfall</b>	<b>124,900</b>
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- 14.2 The Executive is being requested to approve the fees and charges recommended in Appendix 'A'.
- 14.3 Local Land Charge fees may need to be reviewed if a new fee regime is introduced.