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| <b>NAME OF COMMITTEE</b> | <b>Economy and Environment Scrutiny Panel</b> |
| <b>DATE</b>              | <b>13 November 2014</b>                       |
| <b>REPORT TITLE</b>      | <b>Review of Fees and Charges for 2015-16</b> |
| <b>REPORT OF</b>         | <b>Head of Finance and Audit</b>              |
| <b>WARDS AFFECTED</b>    | <b>All</b>                                    |

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### SUMMARY OF REPORT

This report sets out proposals for fees and charges for all services for 2015/16.

### FINANCIAL IMPLICATIONS

The estimated additional income that could be generated from the review of fees and charges for 2015-16 totals £1,000 as shown in Section 4.1.

### RECOMMENDATIONS

**That the Economy and Environment Scrutiny Panel RESOLVES that the Executive RECOMMENDS to Council that it:**

1. approves the introduction of a charge of £75.00 from 18 December 2014 for the site owners of mobile homes for the depositing, variation and deletion of site rules, with an annual review thereafter.
2. approves the proposed fees and charges set out in this report as part of the Budget Setting Process for 2015/16.

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## 1. BACKGROUND

- 1.1 This report sets out proposals for fees and charges for all services for 2015/16. The Council has the power to levy fees and charges for various services and functions it undertakes. Some of these fees are set by statute while for others the Council can make "reasonable" charges for the services it provides. The undertaking of regular reviews of charges allows, where possible, for the Council to recover the cost of officers' time in providing the service.

## 2. PROPOSALS FOR CHARGES 2015/16

### Lower Ferry, Dartmouth

- 2.1 Members will be aware that the Ferry was out of action from January 2013 until 21st May 2013 for essential slipway maintenance and the impact on income is shown below

Actual Income:

|                            |          |
|----------------------------|----------|
| 2013/14 (45 weeks service) | £678,000 |
| 2012/13 (40weeks service)  | £675,000 |
| 2011/12                    | £857,000 |

Taking into account the last increase in fares on 21 May 2013, the income history indicates that traffic volumes are lower than 2011/12, which has contributed to the estimated shortfall in the income:

|  |                 |
|--|-----------------|
| Income budget 2014/15                            | £957,000        |
| Estimated outturn based on actual income to date | £800,000        |
| <b>Estimated shortfall</b>                       | <b>£157,000</b> |

- 2.2 The Higher Ferry has applied to the Department of Transport to raise the fares in the future. There are currently no indications that their fares are going to be raised imminently. The Lower Ferry fares have always been set just below the Higher Ferry fares. Raising the Lower Ferry fares before the Higher Ferry would reduce our pricing advantage and would risk migration of our regular customers. Due to the commercial sensitivity of the fare structure, **it is therefore recommended that no planned changes are made to the fare structure for 2015/16 at this stage.** However, Members are reminded that the Head of Assets has delegated authority to adjust the fares during any financial year for commercial reasons, should the need arise in consultation with the Executive Portfolio Holder. A summary of the current fare structure for both services is shown below:

| TICKET TYPE           | LOWER FERRY EXISTING FARES | HIGHER FERRY COMPARATIVE FARES |
|-----------------------|----------------------------|--------------------------------|
| <b>Standard Fares</b> |                            |                                |
| Foot passenger        | £1.50                      | £0.50                          |
| Under 16              | £0.50                      | n/a                            |
| Motorcycle            | £2.20                      | £2.00                          |
| Car single            | £4.50                      | £4.70                          |
| return                | £8.00                      | £8.50                          |
| Commercial max 1800kg | £5.00                      | £6.00                          |
| Commercial max 7500kg | £6.50                      | £6.60                          |
| <b>Ferry Savers</b>   |                            |                                |
| Foot passenger x 40   | £23.00                     | £10.00                         |
| Motorcycle x 20       | £15.00                     | £15.00                         |
| Vehicles 10s          | £16.00                     | £21.00                         |
| 20s                   | £25.00                     | £28.00                         |
| 40s                   | £46.00                     | £52.00                         |

### **Commercial Waste Charges**

- 2.3 Commercial Waste charges are delegated to the Head of Environment Service. The pricing model requires consideration of budget performance, disposal charges and market factors, but it is considered too early in the financial year for a review to be undertaken. The service is required to notify its customers in February of the pricing structure that is effective from 1 April. The intention is for a report to be presented to the Executive later in the year when the Service is in a position to update and set pricing.

### **Household Waste Charges**

- 2.4 There is no intention to change any of the South Hams Household Waste Charges in 2015/16. The current review of the waste collection services includes re-examining existing policies, one of which is the charges set for collection of Household bulky waste. However, due to a number of other changes for residents to deal with at this time, it is not proposed that any changes agreed will take place in the coming financial year.

### **Car Parking**

- 2.5 It is recommended that there is no overall increase in car parking charges for the 2015/ 16 financial year. However, the Council is encouraging community-led parking reviews, allowing communities to work with the Street Scene Manager in setting charges which support the community's needs, and which are cost-neutral to the District Council.

### **Parks, Open Spaces, Outdoor Sport and Recreation**

- 2.6 Appendix A sets out proposals related to Parks, Open Spaces, Outdoor Sport and Recreation. For pitches, courts and greens the proposal is that charges for 2015/16 be retained at current levels as part of the continued strategy to promote sport and outdoor activities. The aim going forward is to prioritise income through marketing and additional use rather than increasing charges. Officers are continuing to pursue options to transfer management of facilities to local clubs and organisations.
- 2.7 It is proposed that dinghy and kayak parking charges also remain the same for 2015/16, with the new boat parking facility at Warfleet Quay, Dartmouth now up and running. The number events on Council land increase year on year, and it is proposed that charges for 2015/16 remain the same. Community and charity events take place on Council land free of hire charge. It is proposed that an event administration charge introduced in 2014/15, to help offset the staff costs in facilitating the busy event programme, will continue into 2015/16. It is also proposed that all other events, memorials and sponsorship remain the same in 2015/16.
- 2.8 The Council continues to offer a play area inspect and insure service to community groups and town and parish councils. This has been set previously at

£100 + VAT, for which the Council annually provides 12 visits by a qualified inspector, Allianz insurance inspection visits and Insurance premium. It is proposed that the charge remains the same for 2015/16.

### **Environmental Health Charges - licensing**

2.9 Many of the Environmental Health fees are set by statute although Members will be aware of the Government's intention for Local Authorities, subject to a higher cap being imposed, to be able to set their own alcohol fees based on full cost recovery. However, the draft restructuring of fees being suggested would indicate no significant change to council income and any change in alcohol licensing fees seems temporarily on hold until the Supreme Court determine a Court of Appeal ruling that councils' (following a 2009 EU Directive) cannot charge for enforcement within the fees, only the cost of processing a 'procedure' and compliance. The appeal, being led by Westminster Council (in R Hemming & Others) should be heard in early 2015.  
None of the current or proposed fees for 2015/16 in Appendix B contain any element for dealing with appeals or enforcement.

2.10 Members will see in Appendix B a few new additional charges being proposed for 2015/16, one of which is a £40 fee where changes are required in registration particulars to acupuncture / tattooing licences and three additional charges under hackney carriage and private hire licensing. Another is £10 for the cost of replacing a lost drivers identification badge, and another being £8.80 for proposed cost to South Hams District Council per applicant, by moving from paper Disclosure & Barring Service checks (formerly called CRB checks) to the speedier electronic checks, the third proposed additional charge being the net DVLA cost of providing a computer 'print-out' of an applicants' driving licence. Members will be aware DVLA are no longer issuing paper tax discs for vehicles, from January 2015 DVLA will no longer issue the paper counterpart to the photo card driving licence which is a document used by the licensing department when considering the 'fit and proper' test for taxi drivers. The proposals for the additional taxi and private hire licensing fees are 'cost neutral' so will not generate additional budget income. Most of the additional gross income for 2015/16 will be from Boatman's and Pleasure Boat Licensing to assist in the procedure becoming self-funded.

2.11 The fees and charges both current and proposed are attached to this report (Appendix B). The estimated increase in gross budget income generated by implementing the revised fees in 2015/2016 will be approximately £1,000.

### **Other Charges - Mobile Homes (Site Rules) (England) Regulations 2014**

2.12 These Regulations aim to increase transparency in relation to sites rules for Residential Mobile Home Sites, often referred to as 'Park Home Sites', and introduced the power for Councils to charge the site owner for the depositing, variation and deletion of site rules. Any charge set by the Council must be based on cost recovery principles. Calculations based on the predicted time taken to validate the rules and place them on a public register indicate that a charge of £75.00 should be set from 18 December 2014, subject to Member approval, with an annual review thereafter.

### 3. LEGAL IMPLICATIONS

- 3.1 The Council has power to introduce, maintain and increase charges under s.19 of the Local Government (Miscellaneous Provisions) Act 1976.
- 3.2 As mentioned, the Council has the power to levy fees and charges for various services and functions it undertakes. Some of these fees are set by statute while for others the Council can make “reasonable” charges for the services provided. The need to undertake an annual review of fees and charges relates to the Council’s priority of improving core services in a cost effective way and the Council’s commitment to value for money.

### 4. FINANCIAL IMPLICATIONS

- 4.1 The estimated additional income that could be generated from the review of fees and charges for 2015-16 totals £1,000.

### 5. RISK MANAGEMENT

- 5.1 The Risk Management implications are shown at the end of this report in the Strategic Risks Template.

### 6. OTHER CONSIDERATIONS

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| <b>Corporate priorities engaged:</b>                | Community Life, Homes, Economy & Environment  |
| <b>Statutory powers:</b>                            | Local Government (Miscellaneous Provisions) Act 1976<br>Powers to levy fees and charges are contained within various statutes governing the services in question  |
| <b>Considerations of equality and human rights:</b> | Charging helps to support the provision of a wide range of public facilities available to all ages and all abilities  |
| <b>Biodiversity considerations:</b>                 | Facilities are set within parks and public spaces being managed for biodiversity net gain.<br>Memorial Scheme (Trees) and sponsorship both encourage the planting and improved management of public space |
| <b>Sustainability considerations:</b>               | Charging assists in supporting the running and management of a range of facilities in appropriate locations for local communities.  |
| <b>Crime and disorder implications:</b>             | Charging helps to maintain the range of facilities.   |
| <b>Background papers:</b>                           |   |
| <b>Appendices attached:</b>                         | Appendix A - Proposed Charges 2015/16 for Outdoor Recreation<br>Appendix B – Proposed Charges 2015/16 for Environmental Health  |

| No | Risk Title   | Risk/Opportunity Description  | Inherent risk status       |                            |                                    | Mitigating & Management actions   | Ownership                                |
|----|--|---|----------------------------|----------------------------|------------------------------------|---|--|
|    |  |   | Impact of negative outcome | Chance of negative outcome | Risk score and direction of travel |   |  |
| 1  | Providing a cost neutral Licensing Service. Keeping costs under constant review and lawfully setting on an annual basis. | A review of the Council's fees and charges provides an opportunity to examine the contribution that individual services make to the Council's overall financial position. Charges are set at levels which discourages use of Council Services. Fees and charges are set at unnecessarily low levels which results in an increased requirement from Council tax payers to meet the cost of service delivery. | 3                          | 2                          | 6 ⇄                                | <p>The majority of chargeable fees under the Licensing Act 2003 and Gambling Act 2005 which provide the major income of the licensing service are set by regulations.</p> <p>Costs of providing certain services can be recovered and must remain cost neutral i.e. taxi licensing.</p> <p>The Council provides value for money services within budgets.</p> <p>The Council sets adequate budgets to provide services that meet Council priorities.</p> <p>Service Managers are able to propose charges based on their knowledge of the demand for the service, benchmarking information and statutory requirements.</p> <p>Most importantly costs are constantly reviewed and adjusted where necessary as evidenced in this report.</p> <p>Fees are reviewed and set annually.</p> | EH Business Support / Licensing Manager. |
| 2  | Robustness of income targets   | Achieving anticipated income targets in the current financial climate   | 4                          | 3                          | 12 ⇄                               | Monitoring of corporate income streams and revenue budgets  | Head of Finance & Audit                  |