

TRAFFORD BOROUGH COUNCIL

Report to: Executive & Council
Date: 17 February 2016
Report for: Decision
Report of: The Executive Member for Finance and the Director of Finance

Report Title

FEES, CHARGES & ALLOWANCES 2016/17

Summary

This report summarises the salient features of the annual review and pricing of the Council's main fees and charges. The booklet that details individual fees and charges can be found on the Council's website in the area that supports the agenda.

The Fees and Charges booklet represents the main fees and charges to the public upon which the Executive's proposed budget for 2016/17 has been based. Most fees and charges have been reviewed and amended as appropriate either by regulation or as aligned to the budget process. New charges for 2016/17 or revised wording to existing charges are highlighted in blue on the Schedule and significant changes are referred to in paragraph 3.3 below.

The fees and charges are inclusive of VAT, where indicated, and delegated authority to Corporate Directors and the Chief Finance Officer, is sought to amend the level of the relevant fee or charge as appropriate if there are changes to the rate of VAT during 2016/17, which is the Council's traditional practice.

As in previous years, the majority of fees and charges have been coded as to the extent of discretion the Council has to establish the fee or charge, and then the level of discretion to determine the level of fee or charge.

On 4th July 2015 the Council entered into a contract with Amey for the delivery of Environmental, Highways, Street Lighting and Property Services. These services are delivered under the One Trafford Partnership which gives Amey the flexibility to make commercial decisions on future levels of certain fees and charges, where appropriate. These fees have been removed from the attached report and customers will contact Amey directly to agree the price on application.

Sale Waterside Arts Centre is to be run on a more commercial footing and all fees and charges will be reviewed and agreed by the new Shadow Board, on recommendations from the Head of Service. These fees have also been removed from the attached report and customers will contact the Arts Centre directly for pricing information.

Recommendation(s)

It is recommended that:

- **The Fees and Charges for 2016/17, as set out in the booklet available on the Council's web site, be approved.**
- **Approval is given to Corporate Directors and the Chief Finance Officer with the joint delegation to amend fees and charges during 2016/17 in the event of any change in the rate of VAT, as appropriate.**
- **Approval is given to the Corporate Director, Economic Growth, Environment and Infrastructure, and the Chief Finance Officer with joint delegation to amend fees and charges in line with commercial negotiations with Amey under the One Trafford Partnership contract.**

Contact person for access to background papers and further information:

Name: Councillor Patrick Myers, Executive Member for Finance
Ian Duncan, Director of Finance Extension: 1555

Background Papers: None

Implications:

Relationship to Policy Framework/Corporate Priorities	Value for Money. The proposed budget for 2016/17 cross cuts all key priorities and policies.
Financial	The report sets out the proposed Fees and Charges for 2016/17.
Legal Implications	It is a statutory requirement for the Council to set and approve a balanced, robust budget and council tax level. Budget proposals take account of various legislative changes as they affect Council services. The Council has begun the statutory processes associated with the effect of the proposed budget on staffing levels.
Equality/Diversity Implications	Equality impact assessments to be carried out supporting the budget proposals as appropriate.
Sustainability Implications	None arising out of this report.
Staffing/E-Government/Asset Management Implications	Human Resources – statutory processes have begun and the impact on staffing is still subject to consultation.
Risk Management Implications	An impact assessment of each budget proposal is undertaken as part of the overall budget setting process.
Health and Safety Implications	An impact assessment of each budget proposal is undertaken as part of the overall budget setting process.

Other Options

All options at an individual fee or charge basis would have been considered, where appropriate, during the budget process.

Consultation

A budget consultation has been carried out, the details and results of which are shown in Section 2 of the Budget Report.

Reasons for Recommendation

To fulfill the obligations outlined in the Council Constitution for the budget process.

Key Decision

This is a key decision currently on the Forward Plan: Yes

Finance Officer ClearanceID.....

Legal Officer ClearanceMJ.....

DIRECTOR'S SIGNATURE

(electronic) Signature appended in hard copy

To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.

INTRODUCTION

1.1 The detailed fees and charges booklet is available on the Council's web site alongside other agenda items. It represents a schedule of the main fees and charges which the Executive is proposing to charge for services in 2016/17 and included in the revenue budget proposals for 2016/17 to be presented to Council on 17 February 2016.

1.2 It should be noted that the booklet mostly relates to fees and charges levied on the general public, businesses or service users. Trading income, particularly internal trading income such as that with Schools, is not covered within the fees and charges booklet as it is subject to individual contracts and negotiations.

2. COUNCIL DISCRETION IN SETTING FEES & CHARGES

2.1 All fees and charges are subject to relevant legal constraints. Some fees and charges are required by law to be established and administered by the Council, others can be established at the Council's discretion. Once established, regulations then influence the extent or level of the fee or charge. Some fee or charge levels are set by regulation, others are limited by regulation, and some can be determined freely by the Council, though subject to other influencing factors such as competition.

2.2 The schedule of fees and charges indicates which fees are Mandatory (M) and which are Discretionary (D) for both the establishment of the charge (the first indicator) and then setting the level of the charge (the second indicator). For example, a fee that must be established and administered by the Council, but the level of fee or charge can be freely determined by the Council would be marked 'M / D'.

How is it determined that a fee or charge can be levied?	Who or how is the rate of the fee or charge determined?	Example of Fee or Charge	KEY
Regulation	Regulation – the rate of charge is fixed by regulation	Registrar Certificates Gaming Permits	M / M
Regulation	Regulation –the Council can choose between lower and/or upper limits	Casino applications Entertainment Licences	M / D*
The Council	Regulation – the Council can only recover costs & reasonable overheads and/or between upper and lower limits or other limit	Fixed Penalty Notices	D / D*
Regulation	The Council	Environmental searches Marriage & Civil Partnerships	M / D
The Council	The Council	Library charges Land charges & search fees	D / D

2.3 The above table has been RAG shaded in terms of extent of Council discretion from red (top 1) where fees and charges are mostly determined by regulation, to green (bottom 2) where the Council has greater control on establishing and setting fee or charge levels. In the middle, or amber zone, Council's discretion is limited by regulatory rules, and for the fees or charges that are subject to such rules a code of 'D*' is used in the booklet, usually with a statement that describes the relevant rule at the bottom of the page or table.

3. Summary of Fees and Charges movements

3.1 The booklet states the percentage increase for each fee or charge. The following table provides key statistics by the type of charge using the coding system outlined in section 2. It should be noted that an increase in the level of fee or charge may not generate the same increase in actual revenue as purchases or uses of the service may vary. Further, any average increase does not suggest the increase in total revenue as some charges may increase substantially in percentage terms but not in monetary, and that some charges are levied more often than others.

Discretion Code	No. of Charges (No.)	As a % of the Total (%)	Charges yet TBA (No.)	% of Charges that have changed (%)	Average increase # (%)
M / M	63	8%	2	8%	4%
M / D*	80	10%	0	0%	0%
D / D*	13	2%	0	8%	7%
M / D	69	8%	3	74%	3%
D / D	587	72%	1	51%	7%
Total	812	100%	6	44%	7%

This does not represent a 7% increase in income as the averages are calculated as a simple average increase on the unit charges and are not weighted by the level of income generated by each charge.

3.2 Approximately 8% of mandatory fees have changed by an average of 4%. Where the Council has discretion to increase the charge level, all such charges have been reviewed as part of the budget process and consequentially there is much greater movement in those fees and charges. Where the Council has discretion to charge up to a maximum amount set by legislation, many of the current fees are already close to the statutory limit.

3.3 The key highlights with regard to specific charges are:

Economic Growth, Environment & Infrastructure: has the majority of the Council's fees and charges. The main changes within this service are:

- Parking fees have been increased in line with the budget proposals for 2016/17 and following public consultation;

- Pest Control - the price for the treatment of rats has been increased to match the price for mice. There is no reason for there to be a price differential as the treatments are similar and both can include up to 3 visits. The price for the treatment of mice has not been increased;
- Pest Control - the price for the Pestport scheme is set to recover costs based on an average number of pest treatments per customer. This number is higher than expected following a review of the scheme, and prices have needed to be increased accordingly in order to continue recovering costs.
- Environmental Enforcement - fixed penalty for the offence of leaving litter - increased to national maximum penalty. National legislation changes may increase the maximum penalty for this offence during 2016/17 to £150.00 with a reduced £100.00 penalty for early payment. Should this happen the Council will increase its penalty charges in line with this legislation;
- Environmental Enforcement - fixed penalty for (i) graffiti offences, (ii) fly posting offences and (iii) unauthorised distribution of literature offences – changes to legislation are expected to increase these charges during 2016/17 to £100.00. Should this happen the Council will increase its penalty charges in line with this legislation.

3.4 The schedule of fees and charges has been reviewed by management, and amendments made to include those fees and charges which should be brought to the attention of Council at the time of setting the budget, or exclude those that are superfluous or negotiated on a commercial basis.