



REPORT TO EXECUTIVE

PORTFOLIO AREA: ECONOMIC DEVELOPMENT

Date of Meeting: 19 November 2012

Public

Key Decision: Yes

Recorded in Forward Plan:

Yes

Inside Policy Framework

Title: CHARGES REVIEW REPORT 2013/14 – ECONOMIC DEVELOPMENT

Report of: DIRECTOR - ECONOMIC DEVELOPMENT

Report reference: ED. 35/12

Summary:

This report sets out the proposed fees and charges for areas falling within the responsibility of the Economic Development Directorate.

Recommendations:

The Executive is asked to agree the charges as set out in the relevant Appendices with effect from 1st April 2013, noting the impact these will have on income generation as detailed within the report.

Contact Officers: Jane Meek

Ext: 7190

1. BACKGROUND

- 1.1 Each Directorate is required to carry out an annual review of fees and charges.
- 1.2 This report proposes the review of charges within the Economic Development Directorate. The report has been prepared in accordance with the principles approved under the Council's Corporate Charging Policy (this is attached at Appendix 2)
- 1.3 The charges, which have been reviewed, are addressed separately below.

2. CORPORATE CHARGING POLICY 2013/14 TO 2017/18

- 2.1 The Corporate Charging Policy, which is part of the Strategic Financial Framework, was approved by the Executive on 3 September 2012 and Full Council on 11 September 2012 and sets out the City Council's policy for reviewing charges. The principal objective(s) of setting the charge are:
 - Recover cost of service provision;
 - Generate Surplus Income (where permitted);
 - Maintain existing service provision;
 - Fund service improvements or introduction of new service(s);
 - Manage demand for service(s);
 - Promote access to services for low-income households;
 - Promote equity or fairness;
 - Achieve wider strategic policy objectives (e.g. encouraging green policies);
- 2.2 The MTFP currently assumes an income target for the financial year 2013/14 reflecting an increase of 3.8% on 2012/13 base budgets. A 3.8% increase on this base budget would equate to a target increase of £18,300 for recurring 2013/14 budgets (excluding Building Control which is ringfenced to recover costs).
- 2.3 In addition, the policy recognises that each Directorate is different, and requires Directors to develop specific principles for their particular service or clients groups, but within the parameters of the three main principles.

3. ECONOMIC DEVELOPMENT AND TOURISM

Tourism and City Centre Management

- 3.1 **Ticket & retail sales etc.** - The Tourist Information Centre sells tickets for other organisations across the country. There is some discretion on charging (commission) for smaller, local organisations such as local theatre groups, but there is a standard rate for larger/national organisations such as London theatres, etc. It is considered that there is little scope for increasing charges in this area but a wider range of tickets together with other items such as fishing licences continues to be sold to try to maintain income.
- 3.2 Other income streams from other activities such as accommodation booking and retail sales continue to be under downward pressure partly because of the numbers passing through the TIC are slowly reducing, with more use being made of the internet. There may be opportunities in 2013/14 to stock a higher quality of merchandise with higher margins, but this would require both an investment in such stock, and improved display stands.

It should be noted that the operation of the Tourist Information Centres at both the Old Town Hall and the seasonal facility at Brampton are included within the overall Tourism Review.

- 3.3 **Assembly Room** – The proposal to re-furbish and upgrade the facilities in the Old Town Hall is subject to a current review with external works due to commence in January 2013, together with a number of essential internal work items. The contractor carrying out the project is in the process of being appointed at which time a detailed programme, including the internal works will be agreed. However it is now clear that such internal works will mean a temporary relocation of the TIC and suspension of the use of the Assembly Rooms for an approximate period of three months in early 2013, for which a plan is now being developed.

If further more substantial internal refurbishments and improvements are subsequently undertaken, use of the TIC and Assembly Rooms will also be partly curtailed at that time.

The budget for income from the Assembly Rooms for 2012/13 is £2,100 and income to date is generally in line with that provision. There may be scope to increase charges slightly in line with inflation but generally there is little scope to increase revenue in a substantial manner, especially if no refurbishment / improvements are undertaken in the short term. It is therefore considered that a small increase of

c.3% to charges as at Appendix 1 and a budget figure of £2,200 for 2013/14 is considered realistic in the circumstances.

- 3.4 **Advertising** – In previous years there has been some income from accommodation providers and other relevant advertisers by charging for advertising space in tourism publications produced by the City Council to promote Carlisle. Previously the main Holiday Guide has been self financing. However in both 2010/11 and 2011/12 it has only been possible to break even on the cost of publication and it is fully expected for this trend to continue. The reasons for this include fewer businesses participating and increased printing costs. The decision was therefore been taken to reduce the entry fee for the 2013 Guide and include a free entry on the Discover Carlisle web site thus encouraging more businesses to ‘sign up’ to the web from which we can persuade them to take a ‘bookable’ entry which could result in a commission based income.

Business Development

3.5 **Enterprise Centre**

A full review of the Enterprise Centre was carried out by the Environment & Economy Overview & Scrutiny Panel in April 2012. It concluded that management of the facility should take place centrally from the Civic Centre.

Removal of the on-site management has meant that it is no longer viable to provide a number of support services to the tenants, or to offer the conference room facilities for external hire. Consequently any income received at the Enterprise Centre is now solely derived from the rental and service charge of the occupied units.

A rent review is undertaken by Property Services on an annual basis, with the last increase made in 2009/10. Due to market forces there will be no rental increase again in 2013/14.

The service charge is also reviewed annually. This has been increased year on year and will increase by 3.8% in line with inflation for 2013/14.

Project income figures for the rental and service charge income from the Enterprise Centre for 2013/14 are as follows:

£83,165	Rental Income based on 63% occupancy (maximum £132,006 if 100%)
£20,685	Service Charge Income based on 63% occupancy (maximum £32,832 if 100%)

The occupancy level of 63% is based on the maximum occupancy level achieved during the last financial year.

4. PLANNING SERVICES

Development Control Income

- 4.1 Income from planning fees is dependent on both the number of applications received during any one financial year together with the type of application received. Generally, the larger the application, the larger the fee. The City Council has no control over either the number of applications received or the type of application.
- 4.2 The number of planning applications is likely to remain static for the coming year. The Government has indicated an increase in planning application fees although details are still awaited. It is envisaged that any increase will be accommodated within the inflationary increase proposed for planning application income.

Other Charges

- 4.3 Many Planning Authorities charge for other services including monitoring of Planning Obligations. It is proposed that we charge for the monitoring of Section 106 agreements to ensure the requirements are complied with.
- 4.4 In addition, it is proposed to increase charges for technical reports and data by 3.8% across the board.

Building Control

- 4.5 Building Control fees, which are ring-fenced, are based on national recommendations. New Regulations have allowed local discretion to set Building Control Fees however the principal of ensuring covering service costs and ring fencing income to the service remain. Fees are now kept under regular review by the Building Control Service and are set in line with other Cumbrian authorities.
- 4.6 Due to the economic slow down, income from fees has reduced. However, steps have been taken to ensure that a balanced budget is achieved, for instance, two posts have been frozen. Under the Building (Local Authority Charges) Regulations 2010, the service can not make a deficit or profit over a rolling two years. In order to ensure that the service remains competitive there will be a review of charges in January 2013, which will include a comparison of our competitors.

5. **SUMMARY OF INCOME GENERATED**

- 5.1 The introduction of the charges proposed is forecast to generate income of £561,200 which is summarised in the table below:

Service Area	Original Estimate 2012/13 £	MTFP Target 2013/14 £	Original Estimate 2013/14 £	Difference to MTFP Target £	% (Increase)/ Decrease
Enterprise Centre Service Charges only	24,000	24,800	20,700	(4,100)	(3.8%)
Assembly Rooms	2,100	2,200	2,200	0	(3.8%)
Planning General	3,200	3,300	3,300	0	(3.8%)
Development Control: Determinations	1,100	1,100	1,100	0	0%
Local Plans	1,800	1,900	1,900	0	(3.8%)
Development Control Fees	525,800	545,800	545,800	0	(3.8%)
Total	560,800	579,100	575,000	(4,100)	

- 5.2 The acceptance of the charges highlighted within this report, with the exception of Building Control which is self financing, will result in an anticipated level of income of £575,000 against the MTFP target of £579,100. This is a shortfall of £4,100 which can be accommodated within base budgets.

6. **CONSULTATION**

- 6.1 **Consultation to Date -**
None.

- 6.2 **Consultation Proposed -**
Overview and Scrutiny as part of the budget process.

7. **RECOMMENDATIONS**

The Executive is asked to agree the charges as set out in the appendix with effect from 1st April 2013.

8. REASONS FOR RECOMMENDATIONS

The Executive is asked to agree the charges as set out in the relevant Appendices with effect from 1st April 2013, noting the impact these will have on income generation as detailed within the report.

9. IMPLICATIONS

- **Staffing/Resources** – These will be considered through transformation
- **Financial** – The acceptance of the charges highlighted within this report, with the exception of Building Control which is self financing, will result in an anticipated level of income of £575,000 against the MTFP target of £579,100. This is a shortfall of £4,100 which can be accommodated within base budgets.
- **Legal** – Paragraph D.31 of the Council's Financial Procedure Rules provides that, except where specifically approved, all new charges or changes to existing charges require prior approval of the Executive.
- **Corporate** – The corporate charging policy has been taken into account in consideration of the charges within this report
- **Risk Management** – The setting of charges must be done in the light of local market conditions. If they are set too highly users of the services will find alternative services and income will be lost to the Council.
- **Equality Issues** – Charges targeted at specific vulnerable groups reflect the ability of those groups to pay.
- **Environmental** – None
- **Crime and Disorder** – None
- **Impact on Customers** – The increases proposed are minor with regard to existing income levels.

10. Impact assessments

- Does the change have an impact on the following?

Assessment	Impact Yes/No?	Is the impact positive or negative?
Equality Impact Screening Does the policy/service impact on the following?		
Age	Yes	Positive & negative
Disability	Yes	Positive & Negative
Race	Yes	Negative
Gender/ Transgender	Yes	Negative
Sexual Orientation	Yes	Negative
Religion or belief	Yes	Negative
Human Rights	Yes	Negative
Social exclusion	Yes	Positive and negative
Health inequalities	No	
Rurality	Yes	Negative

- If you consider there is either no impact or no negative impact, please give reasons:

PLANNING SERVICES**Miscellaneous Charges - from 01/04/2011****Charges for Building Control,****Development Control, Local Plans & Conservation****General Charges – All Sections**

Fee Description	12/13 Charge £	13/14 Charge £	Implement ation Date	% Inc
Supply of decision notices (per item)	10p per page (plus postage)	10p per page (plus postage)	08/09/08	0%
Supply of planning histories (per item)	10p per page (plus postage)	10p per page (plus postage)	08/09/08	0%
Supply of planning documents (per item) i.e. delegated & committee reports, file documents - A4/A3 copying. For Plan copying A2 –A0 see Print Room Services. (VAT payable if supplying an extract of a document)	10p per page ((plus postage)	10p per page ((plus postage)	08/09/08	0%
A2 Plans	B&W £1.12 per copy Colour £1.25 per copy	B&W £1.16 per copy Colour £1.30 per copy	01/04/12	3.8%
A1 Plans	B&W £1.40 per copy Colour £1.65 per copy	B&W £1.45 per copy Colour £1.70 per copy	01/04/12	3.8%
A0 Plans	B&W £2.00 per copy Colour £2.50 per copy	B&W £2.10 per copy Colour £2.60 per copy	01/04/12	3.8%
Supply of documents by fax -per page (in addition To charges for supply)	1.33 (inc VAT)	1.38 (inc VAT)	01/04/12	3.8%
Information to outside bodies research/survey information etc	£13.00 initial fee & £13.00 each additional hour + copying charges	£13.50 initial fee & £13.50 each additional hour + copying charges	01/04/12	3.2%

Additional Charges – Building Control

Fee Description	12/13 Charge £	13/14 Charge £	Implementation Date	% Inc
Supply of Radar Keys	3.00	3.00	06/10/08	0%

Additional Charges – Local Plans

Fee Description	12/13 Charge £	13/14 Charge £	Postage £	Implementation Date	% Inc
Tree Preservation Orders (inc. maps)	10p per page (no charge for postage)	10p per page (no charge for postage)	-	08/09/08	0%
High Hedges submission fee	176.00	182.50	-	01/04/12	3.8%
*Adopted Carlisle District Local Plan 2001-16 (2008)	41.00	42.50	4.50	01/04/12	3.8%
Cumbria Wind Energy SPD (Sept 2008)	15.00	15.00	Inc	01/04/09	0%
Cumbria Wind Energy SPD supporting documents (Sept 2008)	7.50	7.50	Inc	01/04/10	0% **
Cumbria Wind Energy SPD and docs – CD (Sept 2008)	10.00	10.00	Inc	01/04/09	0%

Technical Studies					
Fee Description	12/13 Charge £	13/14 Charge £	Postage £	Implementation Date	% Inc
Strategic Flood Risk Assessment (2011)	41.50	43.00	3.00	01/04/12	3.8%
Biannual Housing Land Availability Assessments - site details (per copy) (Excludes SHLAA)	28.00	30.00	3.00	01/04/12	3.8%
Green Infrastructure Strategy	45.00	47.00	3.00	01/04/12	4.44 %
Carlisle Retail Study 2012		40.00	3.00	01/04/13	New

***Price includes the maps**

** price increase in line with Cumbria County Council charge (who have joint ownership of document with Carlisle City Council)

ECONOMIC DEVELOPMENT

CARLISLE ENTERPRISE CENTRE

	<u>Charge</u> <u>2013</u> <u>£</u>	<u>Implementation</u> <u>Date</u>	<u>Charge</u> <u>2012</u> <u>£</u>	<u>Implementation</u> <u>Date</u>
Charges to Tenants:				
Total Monthly Service Charge ¹	50.00	01/04/2013	48.00	01/04/12
Total Monthly Service Charge [2 nd workspace] Millennium Suite	29.70 600 (per annum)		28.60 600 ² (per annum)	
Word Processing (per A4 sheet)	0		3.50	
Photocopying (per sheet) - A4 B&W	0		0.10	
	0		0.40	
			N/A	
			N/A	
Fax Transmissions (per sheet)	0		0.62	
Fax receive (per sheet)	0		0.18	
Laser printing	0		0.10	
See 2 below				
Meeting Room Small (per Hour) ³	0	01/04/13	5.00	01/04/12
Meeting Room Small (per day)See 2 below	0		30.00	
Conference Room Large (per day)	0		60.00	
Coffee (per half day)	0		7.00	
See 2 below				
Charges to Non Tenants				
Meeting Room Small (per day)	0	01/04/13	52.00	01/04/12
Conference Room Large (per day)	0		90.00	
Coffee (per half day)	0		8.00	
See 2 below				

¹ The difference in the service charges is if a person has one room (£50.00 this year) or 2 rooms (£50.00 on first room, £29.70 on second room). Phones have not been part of the equation since pre 2004 and are only used in tenant's units as an intercom for visitors to let a tenant know they are there. The Centre is no longer obliged to supply a phone under the charge.

² These services are no longer provided at the Enterprise Centre due to the new centralised management arrangements.

OLD TOWN HALL VISITOR CENTRE

	<u>Charge</u> <u>2013</u> <u>£</u>	<u>Implementation</u> <u>Date</u>	<u>Charge</u> <u>2012</u> <u>£</u>	<u>Implementation</u> <u>Date</u>
Assembly Room Hire				
Charges per session as follows:		01/04/2013		01/04/2012
Mornings 9.30 – 1.00	64.00		62.00	
Afternoons 1.30 – 5.00	64.00		62.00	
Mornings & Afternoons 9.30 – 5.00	129.00		124.00	
Evenings 6.30 – 10.00	64.00		62.00	
Afternoons & Evenings 1.30 – 10.00	129.00		124.00	
Each additional hour	24.00		23.00	
Charge for use of - kitchen	24.00		23.00	
N.B. For uses by the following groups and organisations discounts of 50% for Mornings/Afternoons, 37.5% for Evenings and 50% for double sessions including Evenings will be allowed:				
i. Registered Charities				
ii. OAP Groups				
iii. Other community groups e.g. community organisations, unemployed groups, etc.				