



REPORT TO EXECUTIVE

PORTFOLIO AREA: POLICY, PERFORMANCE MANAGEMENT, FINANCE AND RESOURCES

Date of Meeting: 4 November 2003

Public

Key Decision: Yes

Recorded in Forward Plan: Yes

Inside Policy Framework

Title: SUMMARY OF POTENTIAL CHARGES REVIEW 2004/05

Report of: HEAD OF FINANCE

Report reference: FS36/03

Summary:

A series of reports are being considered by the Executive reviewing fees and charges for individual service areas in line with the Corporate Charging Policy that was approved by Council on 15 July 2003. This report summarises the proposed charges as detailed in those reports together with the additional income which will be generated by their recommendations.

Recommendations:

The Executive is asked to approve the charges as set out in Appendix A. The additional income generated by the Charges Review of a maximum of £484,910 in 2004/05 will then be incorporated into the base estimates.

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Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

CARLISLE CITY COUNCIL

To: The Executive
4 November 2003

FS36/03

SUMMARY REVIEW OF CHARGES 2004/05

1. BACKGROUND INFORMATION AND OPTIONS

- 1.1 A series of reports are being considered by the Executive elsewhere on the agenda reviewing fees and charges for individual service areas in line with the Corporate Charging Policy that was approved by Council on 15 July 2003.
- 1.2 **Appendix A** summarises the proposed charges as detailed in those reports together with the additional income which will be generated by their recommendations.

2. CHARGING POLICY

- 2.1 The Corporate Charging Policy that was approved by Council on 15 July 2003 sets out three basic principles to underpin the City Council's policy for reviewing charges.
 - A Corporate Approach – to help the delivery of the Council's corporate objectives and to address strategic and cross cutting themes between departments.
 - Consistent Concessions – to clarify the basis by which the Council subsidises services and activities and to identify which citizens should benefit from the subsidies.
 - Income Targets – to raise income from services where this is appropriate. This should include consideration of charging for services where this is not currently the case. Where charges for services are made they should be cognisant of the costs where appropriate. For 2004/05 each service has been given a corporate target for income generation of **3.5%** i.e. an additional 1% increase over and above the assumed retail price index.
- 2.2 In addition, the policy recognises that each Service is different, and requires Service Managers to develop specific principles for their particular service or clients groups, but within the parameters of the three main principles.

2.3 The Local Government Act 2003 contains general powers permitting authorities to charge for discretionary services. However final guidance on the use of this power has not yet been issued by the ODPM and therefore the financial implications arising from the Act still need to be assessed and incorporated into the figures as now presented.

3. INCREASE IN INCOME FROM PROPOSED CHARGES

3.1 The increases shown in the attached Appendix can be summarised as follows:

	<u>2003/04</u> <u>Original</u> <u>Estimate</u>	<u>2003/04</u> <u>Revised</u> <u>Estimate</u>	<u>2004/05</u> <u>Original</u> <u>Estimate</u>
Base Estimate	£4,094,930	£4,343,690	£4,579,840

3.2 It can be shown from the above figures that the base estimates for 2004/05 show an increase of £484,910 (11.8%) compared to the original estimate for 2003/04. This amount can be split into the 3.5% increase as required by the Corporate Charging Policy (£143,340) and the amount in excess of the Corporate Charging Policy (£341,570).

3.3 There are three specific areas which are not directly controlled by the City Council. Fees for Building Control and Development Control are set nationally and therefore cannot be increased by 3.5%; the potential increase in income is due to an anticipated increase in the volume of applications. The operational side of the Building Control Service is required to break even over a three-year period. Charges for Environmental Protection Act authorisations are also set nationally and details of proposed charges for 2004/05 are not yet available. For the purposes of this report, it is assumed that these fees will rise by 3.5%.

3.4 The 2003/04 original estimate for Civic Centre room lettings was increased to £3,590 as a result of additional one-off room hire, mainly as a result of the Foot and Mouth Inquiry. This budget therefore needs to be reduced to reflect current activity levels.

4. CONSULTATION

Overview and Scrutiny as part of the budget process.

5. **RECOMMENDATIONS**

The Executive is asked to approve the charges as previously considered as set out in Appendix A. The additional income generated by the Charges Review of a maximum of £484,910 in 2004/05 will then be incorporated into the base estimates

6. **REASONS FOR RECOMMENDATIONS**

As stated above.

7. **IMPLICATIONS**

- Staffing/Resources – Not applicable

- Financial – Contained within the main body of the report

- Legal – Not applicable

- Corporate – Not applicable

- Risk Management – The major risk to the charges review is the heavy reliance on fees and charges which are based upon past and present experience of economic and customer activities. Any significant slowdown or economic recession are likely to impact on projected income and would result in budget bids for future years.

- Equality Issues – Not applicable

- Environmental – Not applicable

- Crime and Disorder – Not applicable

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SUMMARY - REVIEW OF CHARGES**APPENDIX A**

	<u>2003/04</u> <u>Original</u> <u>Estimate</u> £	<u>2003/04</u> <u>Revised</u> <u>Estimate</u> £	<u>2004/05</u> <u>Original</u> <u>Estimate</u> £	<u>2004/05</u> <u>CCP</u> <u>target 3.5%</u> £	<u>2004/05</u> <u>CCP</u> <u>review</u> £	<u>Excess</u> <u>Income</u> <u>Estimate</u> £
Legal & Democratic Services - LDS58/03						
Land Charges/Search Fees	333,250	408,250	419,910	11,660	86,660	75,000
Electoral Register	1,070	1,070	1,070	40	0	-40
Civic Centre Room Lettings/Council Minutes	3,590	2,350	2,440	130	-1,150	-1,280
	<u>337,910</u>	<u>411,670</u>	<u>423,420</u>	<u>11,830</u>	<u>85,510</u>	<u>73,680</u>
Commercial & Technical Services - CTS26/03						
Car Parks (City only)	1,269,640	1,334,640	1,450,640	44,440	181,000	136,560
Penalty Charges	110,620	110,620	110,620	3,870	0	-3,870
	<u>1,380,260</u>	<u>1,445,260</u>	<u>1,561,260</u>	<u>48,310</u>	<u>181,000</u>	<u>132,690</u>
Planning Services - P.48/03						
Planning (radar keys etc)	3,000	3,000	3,110	110	110	0
Building Control *	334,190	434,190	434,190	11,700	100,000	88,300
Development Control *	422,410	472,410	452,410	14,780	30,000	15,220
Development Control - Determinations	1,250	1,250	1,290	40	40	0
Development Control - Press list	1,140	1,140	1,180	40	40	0
Local Plans	1,080	1,080	1,120	40	40	0
	<u>763,070</u>	<u>913,070</u>	<u>893,300</u>	<u>26,710</u>	<u>130,230</u>	<u>103,520</u>

SUMMARY - REVIEW OF CHARGES**APPENDIX A**

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Environmental Protection Services - EPS77/03						
Licensing	120,550	120,550	126,580	4,220	6,030	1,810
Environmental Protection Act *	23,880	23,880	24,720	840	840	0
Hostels	414,000	414,000	428,490	14,490	14,490	0
Cemeteries & Crematorium	817,420	817,420	919,600	28,610	102,180	73,570
Public Health Charges	5,030	5,030	5,210	180	180	0
Pest Control	52,300	52,300	54,130	1,830	1,830	0
	<u>1,433,180</u>	<u>1,433,180</u>	<u>1,558,730</u>	<u>50,170</u>	<u>125,550</u>	<u>75,380</u>
Culture Leisure & Sport - CIS67/03						
Tullie House	105,790	65,790	65,790	3,700	-40,000	-43,700
Allotments	12,000	12,000	12,420	420	420	0
Sports Pitches	11,480	11,480	11,880	400	400	0
	<u>129,270</u>	<u>89,270</u>	<u>90,090</u>	<u>4,520</u>	<u>-39,180</u>	<u>-43,700</u>
Economic & Community Development - ECD30/03						
Assembly Hall Hire	9,720	9,720	10,060	340	340	0
Irthing Centre	21,360	21,360	22,110	750	750	0
Enterprise Centre	20,160	20,160	20,870	710	710	0
	<u>51,240</u>	<u>51,240</u>	<u>53,040</u>	<u>1,800</u>	<u>1,800</u>	<u>0</u>
TOTAL INCOME FROM CHARGES REVIEW	<u>4,094,930</u>	<u>4,343,690</u>	<u>4,579,840</u>	<u>143,340</u>	<u>484,910</u>	<u>341,570</u>

* These charges are set nationally and the Council has no control over any increase in the level of fees