



## PORTFOLIO AREA: ECONOMIC DEVELOPMENT

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**Date of Meeting: 22 November 2010**

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**Public**

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**Key Decision: Yes**

**Recorded in Forward Plan:**

**Yes**

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**Inside Policy Framework**

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**Title: CHARGES REVIEW REPORT 2011/12 – ECONOMIC DEVELOPMENT**

**Report of: ASSISTANT DIRECTOR (ECONOMIC DEVELOPMENT)**

**Report reference: ED.37/10**

**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 1<sup>st</sup> April 2011 noting the impact these will have on income generation as detailed within the report.

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## CITY OF CARLISLE

### REVIEW OF CHARGES 2011/12 – ECONOMIC DEVELOPMENT

#### **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 recently approved under the Council's Corporate Charging Policy.
- 1.3 The charges, which have been reviewed, are addressed separately below.
- 1.4 Attached at Appendix A is an extract from the summary of charges book, which shows the current and proposed level of charge for each of these services.

#### **2. CORPORATE CHARGING POLICY 2011**

- 2.1 The Corporate Charging Policy, which is part of the Strategic Financial Framework, was approved by the Executive on 2 September 2010 and Full Council on 14 September 2010, sets out the City Council's policy for reviewing charges. The MTFP currently assumes an income target for the year 2011/12 at an increase of 3.8% on existing budgets. For Economic Development income this would equate to a target increase of £27,000 on 2010/11 budgets.
- 2.2 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 sell tickets for other organisations across the country using the "Ticketmaster" system. 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 no further scope for increasing

charges in this area but a wider range of tickets together with other items such as fishing licences are being sold to try to maintain income.

3.2 These income streams, including retail sales are showing adverse variations, partly because of the numbers passing through the TIC are slowly reducing, with more use being made of the internet. Measures to improve bottom line performance without compromising service levels are being taken whenever the opportunity arises. The proposed up-grade of the Old Town Hall will provide the opportunity to review the retail offer.

3.3 **Assembly Room** – The proposals to re-furbish and upgrade the facilities in the Old Town Hall are subject to the approval of a bid for funding from the Heritage Lottery Fund. This may mean that the Assembly Room will be used as part of the visitor interpretation area. There will be scope to continue to raise income through letting of space within the OTH. If the funding is approved there will be an impact on income during the refurbishment for next financial year. A condition of the brief for the work is that it should be revenue neutral.

Charges are raised for the use of the Assembly Rooms at the Old Town Hall Visitor Centre. A figure of £6,900 is incorporated within the budget relating to Assembly Room hire and sale of meals. Figures up to October 2010 indicate a likely shortfall against budgets of about £500 which represents an improvement on last year. Current charging rates for the facilities as they are at present are deemed to be appropriate in a competitive marketing environment but will need to be reviewed in the light of the proposed works. It is envisaged that income targets will not be realised in 2011/12 when refurbishment works are under way and a figure of £2,000 is considered realistic in the circumstances.

3.4 The following discounts are currently applied at present to Registered Charities, OAP Groups and other community Groups and are recommended to continue until the refurbishment programme is underway after which they will be reviewed in the light of the objectives for the future use of the building.

Mornings/Afternoons	50.0%
Evenings	37.5%
Double Sessions Including Evenings	50.0%

3.5 **Advertising** – Hotels and bed and breakfast establishment are charged for advertising space in publications produced to promote Carlisle. The aim is to break even on the cost of publication. Attempts have been made to increase advertising

charges, but this has met very strong customer resistance and it is considered that there is little scope of movement. Through Carlisle Tourism Partnership a new web site is being developed to promote facilities in Carlisle. This will generate some income to replace that lost from advertisements in publications.

## **Business Development**

### **3.6 Enterprise Centre**

Opportunities to charge for services at Carlisle Enterprise Centre are regularly reviewed – rents are the main source of income and these are reviewed annually by Property Services as part of the rolling programme of rent reviews. Estimates of miscellaneous income for 2010/11 suggest that the overall budget of £26,200 will be achieved. However, the economic downturn has had an impact on occupancy levels in line with national trends for similar workspaces elsewhere and consequently there is a knock-on impact on miscellaneous income included in the estimate above. Based on current information available and the revised prices set out within the appendices, it is anticipated that the Enterprise Centre will generate miscellaneous income of £24,000 in 2011/12.

## **4. PLANNING SERVICES**

- 4.1 Fees for planning applications are set nationally and therefore 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. It is estimated that the Council will receive just over 1250 applications in 2010/11, a comparable level of applications to last year.
- 4.2 From April 2008 to March 2010 the Housing and Planning Delivery Grant was used to offset some of the service costs for planning services but this has now ceased and not replaced by a direct grant to the planning service. This has impacted on service costs in 2010/11.
- 4.3 Based on the revised planning fee levels, the estimated number of applications in 2010/11, and income so far this year the projected income is expected to be significantly below than the planned income of £637,100 for this financial year. The current economic climate has had a significant impact on development proposals

and therefore fee income. On this basis it is not proposed to increase the income level for 2011/12.

- 4.4 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. New fees have been set from 1<sup>st</sup> October 2010 and are now kept under regular review by the Building Control Service. Fees have been set in line with other Cumbrian authorities.
- 4.5 It is anticipated that due to the economic slow down income from fees is likely to be below the £436,200 estimated for 2010/11. However, expenditure savings have been made and anticipated income for 2010/11 is expected to exceed expenditure.
- 4.6 It should be noted that Building Control is designated as a self financing Unit and must break even over a 3 year rolling period. Therefore any surplus for this financial year be transferred into the Building Control Reserve at the year end.
- 4.7 With regard to miscellaneous sources of planning income in the form of sales of local plans, determinations and weekly press lists, there is increasingly free availability of documents which are now published on the Council's website to increase public access to information. This has resulted in decreasing levels of income from these areas and this trend will continue despite the proposed 2010/11 increases reflected in Appendix A.

## 5. **SUMMARY OF INCOME GENERATED**

- 5.1 The introduction of the charges proposed is forecast to generate income of £670,900 which is summarised in the table below:

<b>Service Area</b>	<b>Original Estimate 2010/11 £</b>	<b>MTFP Target 2010/11 £</b>	<b>Original Estimate 2011/12 £</b>	<b>% Increase/ (Decrease)</b>	<b>Note</b>
Enterprise Centre	24,900	25,900	25,900	3.8%	
Assembly Rooms	11,000	11,400	2,000	(82%)	
Planning General	3,000	3,100	3,100	3.8%	
Development Control: Determinations	1,100	1,100	1,100	0%	
Local Plans	1,500	1,500	1,700	13%	

Building Control				*	
Development Control Fees	658,200	683,200	637,100	(3.2%)	
<b>Total</b>	<b>699,700</b>	<b>726,200</b>	<b>670,900</b>		

\* See paragraphs 4.4 to 4.6

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 £670,900 against the MTFP target of £726,200. This is a shortfall of £55,300.

## 6. CONSULTATION

### 6.1 Consultation to Date -

None.

### 8.2 Consultation Proposed -

Overview and Scrutiny as part of the budget process.

## 9. RECOMMENDATIONS

The Executive is asked to agree the charges as set out in the appendix with effect from 1st April 2011.

## 10. REASONS FOR RECOMMENDATIONS

The Executive is asked to agree the charges as set out in the relevant Appendices with effect from 1<sup>st</sup> April 2011 noting the impact these will have on income generation as detailed within the report.

## 11. 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 £670,900 against the MTFP target of £726,200. This is a shortfall of £55,300.

- **Legal** –
- **Corporate** – The corporate charging policy has been taken into account  
inconsideration 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.

## 12. Impact assessments

- **Does the change have an impact on the following?**

Assessment	Impact Yes/No?	Is the impact positive or negative?
<b>Equality Impact Screening</b> 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

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- **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**

<b>Fee Description</b>	<b>10/11 Charge £</b>	<b>11/12 Charge £</b>	<b>Implement ation Date</b>	<b>% Inc</b>
Supply of decision notices (per item)	10p per page (no charge for postage)	10p per page (no charge for postage)	08/09/08	0%
Supply of planning histories (per item)	10p per page (no charge for postage)	10p per page (no charge for 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 (no charge for postage)	10p per page (no charge for postage)	08/09/08	0%
Supply of documents by fax -per page (in addition To charges for supply)	1.28 (inc VAT)	1.33 (inc VAT)	01/04/11	3.8%
Discretionary charge for invoicing fees	7.15	7.42	01/04/11	3.8%
Information to outside bodies research/survey information etc	£12.15 initial fee & £12.15 each additional hour + copying charges	£12.60 initial fee & £12.60 each additional hour + copying charges	01/04/11	3.8%

### Additional Charges – Development Control

Fee Description	10/11 Charge £	11/12 Charge £	Implementation Date	% Inc
Yearly subscription to weekly press list (per financial year)	135.00 (inc VAT)	140.00 (inc VAT)	01/04/10	3.8%
Yearly subscription for report on planning decisions	79.00 (inc VAT)	82.00 (inc VAT)	01/04/10	3.8%

### Additional Charges – Building Control

Fee Description	10/11 Charge £	11/12 Charge £	Implementation Date	% Inc
Supply of Radar Keys	3.00	3.00	06/10/08	0%

### Additional Charges – Local Plans

Fee Description	10/11 Charge £	11/12 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	164.00	170.00	-	01/04/11	3.8%
Local Development Scheme	6.00	6.25	1.75	01/04/11	4.1%
*Adopted Carlisle District Local Plan 2001-16 (2008)	38.00	39.50	4.50	01/04/11	3.9%
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	10/11 Charge £	11/12 Charge £	Postage £	Implementation Date	% Inc
Retail Study C B Hillier Parker (2000)	62.50	65.00	3.00	01/04/11	4%
Retail Study Update (2006)	33.25	34.50	3.00	01/04/11	3.8%
Strategic Flood Risk Assessment (2006)	39.00	40.00	3.00	01/04/10	3%
Strategic Environment Assessment (2006)	39.00	40.00	3.00	01/04/10	3%
Urban Capacity Study (Oct 2004 2 vol)	41.00	42.50	3.00	01/04/11	3.7%
Biannual Housing Land Availability Assessments - site details (per copy) (Excludes SHLAA)	26.00	27.00		01/04/10	3.8%

**\*Price includes the maps**

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

## CARLISLE ENTERPRISE CENTRE

	<u>Charge</u> <u>2011</u> £	<u>Implementation</u> <u>Date</u>	<u>Charge</u> <u>2010</u> £	<u>Implementation</u> <u>Date</u>
<b>Charges to Tenants:</b>				
Total Monthly Service Charge <sup>1</sup>	45.70	} 01/04/2011	43.50	} 01/04/10
Total Monthly Service Charge [2 <sup>nd</sup> workspace]	27.25		25.95	
Total Monthly Service Charge (Millennium Suite)	600.00 <sup>2</sup>		170.00	
Word Processing (per A4 sheet)	3.50		3.50	
Photocopying (per sheet) - A4 B&W	0.10		0.10	
- A4 Colour	0.40		0.40	
- A3	N/A		N/A	
- A3 double sided	N/A		N/A	
Fax Transmissions (per sheet)	0.62		0.62	
Fax receive (per sheet)	0.18		0.18	
Laser printing	0.10	0.10		
Meeting Room Small (per Hour) <sup>3</sup>	5.00		5.00	
Meeting Room Small (per day) See 2 below	30.00		30.00	
Conference Room Large (per day)	60.00		60.00	
Coffee (per half day)	7.00		7.00	
<b>Charges to Non Tenants</b>				
Meeting Room Small (per day)	52.00		52.00	
Conference Room Large (per day)	90.00	01/04/11	90.00	01/04/10
Coffee (per half day)	8.00		8.00	

<sup>1</sup> The difference in the service charges is if a person has one room (£41.40 this year) or 2 rooms (£41.40 on first room, £24.70 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.

<sup>2</sup> This is a fixed rate in accordance with the current lease arrangements

## OLD TOWN HALL VISITOR CENTRE

	<u>Charge</u> <u>2011</u> <u>£</u>	<u>Implementation</u> <u>Date</u>	<u>Charge</u> <u>2010</u> <u>£</u>	<u>Implementation</u> <u>Date</u>
<b>Assembly Room Hire</b>				
Charges per session as follows:				
Mornings 9.30 – 1.00	60.00	} 01/04/2011	58.30	} 01/04/2010
Afternoons 1.30 – 5.00	60.00		58.30	
Mornings & Afternoons 9.30 – 5.00	120.00		116.60	
Evenings 6.30 – 10.00	60.00		58.30	
Afternoons & Evenings 1.30 – 10.00	120.00		116.60	
Each additional hour	22.00		21.19	
Charge for use of - kitchen	22.00		21.19	
<p>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:</p> <ul style="list-style-type: none"> <li>i. Registered Charities</li> <li>ii. OAP Groups</li> <li>iii. Other community groups e.g. community organisations, unemployed groups, etc.</li> </ul>				