



# REPORT TO EXECUTIVE

## PORTFOLIO AREA: GOVERNANCE AND RESOURCES

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**Date of Meeting:** 22 November 2011

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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 2012/13 – GOVERNANCE

**Report of:** Assistant Director (Governance)

**Report reference:** GD62/11

### Summary:

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

### Recommendations:

The Executive is asked to agree the charges as set out in Appendix A with effect from 1 April 2012 noting the impact these will have on income generation as detailed within the report.

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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**

## CITY OF CARLISLE

To: The Executive  
22 November 2011

GD62/11

### REVIEW OF CHARGES 2012/13 –2016/17

#### GOVERNANCE

## **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 Governance Directorate in respect of charges for Electoral Registers, Minute books and room bookings and Local Land Searches. The report has been prepared in accordance with the principles 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 2012/13 TO 2016/17**

- 2.1 The Corporate Charging Policy, which is part of the Strategic Financial Framework, was approved by the Executive on 30 August 2011 and Full Council on 13 September 2011 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 (eg encouraging green policies);
- 2.2 The MTFP currently assumes an income target for the financial year 2012/13 reflecting an increase of 3.8% on 2011/12 base budgets. A 3.8% increase on this base budget would equate to a target increase of £4,300 for recurring 2012/13 budgets.

- 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. ELECTORAL REGISTERS**

- 3.1 The Electoral Registration Officer has a statutory duty to maintain the electoral register and to publish a revised register by 1 December each year. Under the Representation of the People Regulations 2001, the Registration Officer must on request supply a copy of the full register to government departments and credit reference agencies and the edited version of the register to any person. The fees for supply of both registers are prescribed in the Regulations and are revised from time to time. The Council has no discretion to alter them. The current fees are £10 plus £5 for each 1,000 entries for printed registers and £20 plus £1.50 for each 1,000 entries in computer data form. A limited number of companies tend to buy the register each year so the level of income is generally static at £1,200 per annum.
- 3.2 Marked copies of electoral registers used at polling stations are available for inspection for twelve months following each local election. Under new Regulations, copies of these registers can only be purchased by those entitled to receive free copies of the full register (i.e. candidates and political parties) on payment of the prescribed fee. New fees, which came into force on 18 July 2008, are £10 plus £2 for each 1000 entries in printed format and £10 plus £1 for each 1000 entries in data format.

### **4. MINUTE BOOKS AND ROOM BOOKINGS**

- 4.1 The charge for hire of a room in the Civic Centre is currently £87.95 per session; a session comprising morning, afternoon or evening use. An increase of 3.8% to £92.82 is recommended from 1 April 2012. Based on the level of income achieved in previous years the level of income expected to be generated in 2012/13 is £3,218.
- 4.2 The charge levied for the sale of Council Minute Books is £16.95 per copy plus VAT. A number of outside bodies continue to receive free copies of Minute Books and following the release of Council Minutes on to the Internet, there are now no companies who currently receive a chargeable copy. It is recommended that the charge is increased by 3.8% to £18.26 from 1 April 2012. The annual income from the sale of Council Minutes is currently zero.

## 5. LOCAL LAND SEARCHES

5.1 The Local Land Charges Act 1975 (“the 1975 Act”) requires registering authorities in England to specify and publicise their own fees for local land charge services (except for personal searches of the local land charges register for which a charge may no longer be levied).

5.2 Guidance on the setting of the **LLC1** element of the fees has been published by DCA (“the Guidance”) which should be read in conjunction with the 1975 Act and the Local Authorities (England) (Charges for Property Searches) Regulations 2008 (“the 2008 Regulations”).

5.3 Regulation 8 of the 2008 Regulations provides that:

*8.—(1) Subject to paragraph (2), a local authority may charge a person (including another local authority) in respect of answering enquiries from that person about a property.*

*(2) Any charge made under paragraph (1) may be made at the local authority’s discretion but must have regard to the costs to the local authority of answering enquiries about the property.*

5.4 The Guidance recommends that registering authorities start the process of specifying fees for local land charges services by identifying the local land charges services they provide and calculating the cost of those services so that they can calculate a unit cost for those services. The costs will include the direct costs of maintaining the local land charges register, together with indirect costs covering central overheads. In setting this element of the fees, the Council must take one year with another and average out the costs and the guidance suggests a suitable period of over 1 and 3 years to do this averaging.

5.5 The Guidance also suggests that the cost of searches should be calculated having regard to the anticipated demand for the service.

5.6 It is difficult to foresee the number of searches that will be submitted in the next year as this depends entirely on the strength of the housing market. The number of searches carried out per month since April 2007 can be seen at **Appendix B** and for the purposes of setting these charges it is assumed that performance will remain constant.

5.7 Anticipated demand based on current performance is set out in the table below.

Type of Search	Percentage	Amount
Standard (Con 29 + LLC1)	98%	1,074 (around 60% electronic)
LLC1 only	2%	22
<b>Total</b>	<b>100%</b>	<b>1,096</b>

The table indicates the number of Standard Searches (which include both a CON 29 and a LLC1) and LLC1s only. Personal searches are **not included** bearing in mind that no fee may now be charged. Members should be aware, however, that personal searches continue to be carried out, at an approximate rate of 1,500 per annum and the Land Charges section continues to resource this.

5.8 The cost of a standard search is presently £131.00, which is based on the standard Local Land Charges Search Fee (the LLC1 element) of £22 together with the fee for the Standard Enquiries (the CON29 element) of £109.00. In addition, electronic search requests are received via NLIS and these are subject to a 10% deduction in fee.

5.9 Taking into account actual income figures for 2011/12, it is not proposed to increase either the LLC1 or the CON29 element of the fee. Income is expected to exceed the target figure by approximately 11% and there is, therefore, no need to increase fees in order to achieve the Council's 3.8% target. Members will also be cognisant of the competitive market within which the land charges service now operates. Personal search companies are carrying out an increasing number of searches, to the detriment of the in-house service. These companies are able to charge their customers a lower fee than the Council, because the Council is not able to charge the companies for accessing its records.

5.10 The proposed fees for 2012/13, therefore, will be (including the 10% discount for those searches submitted on line):

Con 29	LLC1	Total
£109 (Standard Enquiry for one parcel of land.)	£22 (whole register)	£131
£98.10 (NLIS 10% on-line discount)	£19.80 (NLIS 10% discount)	(Standard Enquiry + LLC1)
£17.00 each extra parcel of land.	£3.85 (one part of register)	(£117.90 on-line)
	£3.40 (10% discount)	

5.11 For information, this compares to the other Cumbrian districts as follows:

	<b>CON29 £</b>	<b>LLC1 £</b>	<b>Combined £</b>
<b>Allerdale</b>	Not available	10	90
<b>Barrow</b>	60	30	90
<b>Copeland</b>	85	30	105 *
<b>Eden</b>	65	25	90
<b>SLDC</b>	65	25	89 *

\* The combined price charged offers a discount to applicants

Members will note that Carlisle will remain the highest charging of the Cumbrian Districts.

5.12 The estimated income from the Land Charges service for 2012/13 is forecast to be approx £150,000.

5.13 The target income in 2011/12 was £112,700. Achieving the Corporate Charging Policy increase of 3.8% together with the estimated search numbers in the Medium Term Financial Plan, therefore, would result in a target income for 2012/13 of £117,000. The above forecast exceeds this figure by more than 3.8%.

5.14 The actual amount of net income, however, will depend entirely on the actual volume of searches that are made together with any increase in costs, particularly in the costs of the County Council who provide highways information for search enquiries. As Members will be aware there are notes of caution being sounded at the moment as regards the future buoyancy of the housing market and it is not possible to predict at this stage how long the current downturn will last or whether there will be a 'double dip'.

5.15 In anticipating income Members also need to be cognisant that the Council may no longer charge a fee for 'personal searches'. This recent change in the law has brought with it the potential risk that fees paid to date may need to be repaid. The position on this is not yet clear and is the subject of legal proceedings.

- 5.16 The net income (after deduction of NLIS transmission fees) for the previous 4 years (including the current financial year) was:

Period	Net Income	Original Budget
2008/09*	£126,665	£122,500
2009/10*	£120,527	£96,800
2010/11	£157,219	£129,600
2011/12**	£148,000 est.(£76,450 to date)	£112,700 (£59,927 to date)

\*The budget for the 3 years, 2008/09 to 2010/11 was reduced by a non-recurring budget pressure of £241,000, although this was reduced to £221,000 in 2010/11. It should be noted that the prime reason for not achieving net income figures is threefold. Firstly, an increasing level of transmission charges which were not netted off gross income projections; secondly, downward fluctuations in the housing market; and, thirdly, the inability to charge for personal searches.

\*\* The budget for 2011/12 was reduced by a recurring budget pressure of £251,300 as part of the 2011/12 budget process. Net Income figure for 2011/12 is based on 6mths actual and 6mths estimated

- 5.17 It should be noted, therefore, that income in 2011/12 may be down on 2010/11 for the above reasons.

## 6. SUMMARY OF INCOME GENERATED

- 6.1 The introduction of the charges proposed is forecast to generate income of £154,400 in 2012/13 which is summarised in the following table:

Service Area	MTFP Target 2012/13 £	Estimate 2012/13 £	Difference to MTFP target 2012/13 £	% (Increase)/ Decrease
Electoral Registers (para 3)	1,300	1,200	100	7.6
Room Lettings/Minute Book (para 4)	3,200	3,200	0	(3.8)
Land Charges (para 5)	117,000	150,000	(33,000)	33.0
<b>Total</b>	<b>121,500</b>	<b>154,400</b>	<b>(32,900)</b>	

## **7. CONSULTATION**

### **7.1 Consultation to Date -**

This report has been considered by SMT and JMT and their comments have been incorporated into the report.

### **7.2 Consultation Proposed -**

Overview and Scrutiny as part of the budget process.

## **8. RECOMMENDATIONS**

The Executive is asked to agree the charges as set out in Appendix A with effect from 1 April 2012 noting the impact these will have on income generation as detailed within the report.

## **9. REASONS FOR RECOMMENDATIONS**

To ensure that the City Council's Corporate Charging Policy is complied with.

## **10. IMPLICATIONS**

- Staffing/Resources – N/A
- Financial – The recommendations of this report will generate an additional £32,900 above the 3.8% MTFP target for 2012/13. This additional income will be included in the budget process for 2012/13.
- Legal – The Assistant Director (Governance) has compiled this report.
- Corporate – The report reflects the Council's Charging Policy.
- Risk Management – There is a continuing risk to the Council's budgets from reliance on income from external users of the Council's services. Land Charge income is entirely reliant upon the strength of the housing market.
- Equality Issues – N/A
- Environmental – N/A
- Crime and Disorder – N/A



## 11. 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	No	N/A
Disability	No	N/A
Race	No	N/A
Gender/ Transgender	No	N/A
Sexual Orientation	No	N/A
Religion or belief	No	N/A
Human Rights	No	N/A
Social exclusion	No	N/A
Health inequalities	No	N/A
Rurality	No	N/A

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

Land charges are a charge against a property

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## Appendix A

### GOVERNANCE

<u>Actual</u>	<u>Proposed</u>
<u>Charges</u>	<u>Charges</u>
<u>2010/11</u>	<u>2011/12</u>
<u>£</u>	<u>£</u>

#### 1. Land Charges – Search Fees (VAT Outside the Scope/Non Business)

Registration of a charge in Part II of the Register	60.00	60.00
Filing a definitive certificate of the Lands Tribunal under rule 10(3)	2.10	2.10
Filing a judgement, order or application for the variation or cancellation of an entry in Part II of the register	6.30	6.30
Inspection of documents filed under Rule 10 in respect of Land	2.10	2.10
Personal search in the whole or in part of the register and in addition, In respect of each parcel of land above one, where under Rule 11(3) the search extends to more than one parcel, subject to a maximum of £13.00	22.00	22.00
Official Search (incl. Issue of official certificate of search):- a) in any one part of the register (10% on-line discount = £3.40) b) in the whole of the register (10% on-line discount = £19.80)	1.00	1.00
and in addition, in respect of each parcel of land above one, where Under Rule 11(3) more than one parcel is included in the same Requisition (where the requisition is for a search in the whole or in any part of the register), subject to a maximum of £13.00	3.70	3.85
	22.00	22.00
Office copy of any entry in the register (not including a copy of extract of any plan or document filed pursuant to these rules)	0.80	0.80
	1.40	1.40

Copy or extract of any plan or other document filed pursuant to these rules

£various\* £various\*

\* Charges will depend upon the type and size of document. As a guide, a copy of a section 106 Agreement or other legal agreement is likely to cost in the region of £10 depending on the number of large scale plans.

#### Part I – Standard Enquiries

a) One parcel of land	109.00	109.00
One parcel of land (Level 2/3) (10% discount)	98.10	98.10
b) Several parcels of land		
- First parcel	109.00	109.00
- Each addition	17.00	17.00

(Fees that would exceed £100 to be fixed by arrangement)  
(10% discount to apply to searches submitted on-line via NLIS)

#### Part II - Optional Enquiries\*

Each printed enquiry – Urban	10.00	10.00
Each printed enquiry – Rural	10.00	10.00
Each additional enquiry	10.50	10.50

\* Two fees are stipulated; the first being Option 1 and the second being Option 2

Fees for additional information are not Statutory but are based on charges agreed between the Law Society and the Local Authority Associations, taking into consideration any additional expenses incurred by the Council in providing the service.

**2. Civic Centre (VAT Exempt)**

Room Letting - per session	89.42	92.82
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**3. Council Minutes (VAT Standard Rate)**

- Per Booklet	17.59	18.26
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<u>Actual</u>	<u>Proposed</u>
<u>Charges</u>	<u>Charges</u>
<u>2010/11</u>	<u>2011/12</u>
<u>£</u>	<u>£</u>

**4. Electoral Registers (VAT - Outside/Scope)**

In Printed Form*	10.00	10.00
Plus per 1,000 entries *	5.00	5.00
Binding of Register	3.65	3.65
In Computer Data Form*	20.00	20.00
Plus per 1,000 entries *	1.50	1.50
Full Printed Register* (limited statutory availability)	410.00	410.00
Full Data Copy* (limited statutory availability)	140.00	140.00
Edited Printed Register* (60,000 entries)	310.00	310.00
Edited Data Copy* (60,000 entries)	110.00	110.00

\*These charges are set by Regulation

## APPENDIX B

	2007/08			2008/09			2009/10			2010/11			2011/12			
Month	Standard Search	LLC1 only	Personal Search	Standard Search	LLC1 only	Personal Search	Standard Search	LLC1 only	Personal Search	Standard Search	LLC1 only	Personal Search	Standard Search	LLC1 only	Personal Search	
April	270	0	63	96	2	293	54	4	150	68	21	181	80	5	0 <sup>2</sup>	
May	280	6	53	78	5	231	66	4	181	80	27	128	93	2	0 <sup>2</sup>	
June	245	6	57	75	1	182	50	6	162	92	7	41	116	3	0 <sup>2</sup>	
July	301	3	63	102	3	177	66	8	179	104	0	28	100	2	0 <sup>2</sup>	
August	302	7	71	51	1	139	47	7	177	93	1	0 <sup>2</sup>	86	0	0 <sup>2</sup>	
September	220	2	77	60	3	176	71	10	166	112	3	0 <sup>2</sup>	91	2	0 <sup>2</sup>	
October	259	10	134	56	9	123	65	2	180	110	2	0 <sup>2</sup>	52 <sup>1</sup>	0 <sup>1</sup>	0 <sup>2</sup>	
November	224	9	148	41	6	123	61	3	128	110	2	0 <sup>2</sup>				
December	108	11	63	44	0	53	46	4	90	91	1	0 <sup>2</sup>				
January	106	58	134	37	2	68	38	5	82	71	2	0 <sup>2</sup>				
February	93	30	216	55	3	145	61	13	142	69	3	0 <sup>2</sup>				
March	89	8	243	76	5	170	74	31	168	93	0	0 <sup>2</sup>				
<b>Total</b>	<b>2497</b>	<b>150</b>	<b>1322</b>	<b>771</b>	<b>40</b>	<b>1880</b>	<b>699</b>	<b>97</b>	<b>1805</b>	<b>1093</b>	<b>69</b>	<b>378</b>	<b>618*</b>	<b>12*</b>	<b>0</b>	

<sup>1</sup> FIGURES SHOWN ARE UP TO 15.10.10

<sup>2</sup> FIGURES FOR PERSONAL SEARCHES FROM AUGUST 2010 ARE NOT INCLUDED IN THE TABLE DUE TO LEGISLATION CHANGES FROM THAT MONTH SUCH THAT CHARGES MAY NO LONGER BE LEVIED FOR PERSONAL SEARCHES. NOTE THAT PERSONAL SEARCHES CONTINUE TO BE CARRIED OUT.

## **APPENDIX C**

### **CORPORATE CHARGING POLICY 2012/13 TO 2016/17**

This appendix sets out the corporate approach to the setting of fees and charges.

Each service is required to consider how and to what extent each of the following applies to the fees and charges it proposes to set:

#### **1. Objectives of Charge - Set out the principal objective(s) of setting the charge:**

- 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 (eg encouraging green policies);

#### **2. Other factors influencing decisions on whether and how much to charge:**

- The Council's historic approach to charging
- The views of local politicians, service users and taxpayers
- Other councils' and service providers approach to charging
- Levels of central government funding and policy objectives
- The Council's overall financial position
- Changes in demand for services
- Policy on Concessions
- Availability of powers to charge for discretionary services (eg pre application planning advice)
- Central government policy objectives

#### **3. Targeting Concessions - The following target groups should be considered:**

- Persons over the age of 65
- Unemployed

- Young persons under the age of 18
- Students in full time higher education
- Community Groups
- Those in receipt of supplementary benefits, tax credits, attendance allowance, disability living allowance and other appropriate groups

#### **4. Trading**

The Council is empowered to sell goods or services to other public bodies or trade commercially through a company with non-public bodies. The objectives should be considered for relevant services (including Building Cleaning and Maintenance, Vehicle Maintenance, Grounds maintenance, Legal Services, Human Resources, IT, Payroll, Planning and Development Services) as follows to:

- Deliver services more strategically on an area-wide basis
- Achieving greater efficiency
- Capitalise on expertise within the council
- Utilise spare capacity
- Generate income
- Support service improvement

#### **5 Value For Money**

- Has charging been used as a tool for achieving strategic policy objectives?
- Has the optimum use of the power to charge been used?
- Has the impact of charging on user groups been monitored?
- Has charging secured improvements in value for money?
- Has charging been used as a tool to reduce increases in Council Tax?