



PORTFOLIO AREA: ECONOMIC DEVELOPMENT

Date of Meeting: 22 November 2011

Public

Key Decision: Yes

Recorded in Forward Plan:

Yes

Inside Policy Framework

Title: CHARGES REVIEW REPORT 2012/13 – ECONOMIC DEVELOPMENT

Report of: ASSISTANT DIRECTOR (ECONOMIC DEVELOPMENT)

Report reference: ED. 39/11

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 2012, noting the impact these will have on income generation as detailed within the report.

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CITY OF CARLISLE

To: The Executive
22 November 2011

ED39/11

REVIEW OF CHARGES 2012/13 – 2016/17 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 (this is attached at Appendix 2)
- 1.3 The charges, which have been reviewed, are addressed separately below.

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 (e.g. 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 £25,400 for recurring 2012/13 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 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 2012/3 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 will be included within the overall Tourism Review planned for the period until April 1st 2012

- 3.3 **Assembly Room** – The proposal to re-furbish and upgrade the facilities in the Old Town Hall is subject to a current review but if it proceeds it will likely happen during 2012 / 13 and the use of the Assembly Rooms will be partly curtailed in that period.

The budget for income from the Assembly Rooms for 2011/12 is £2,000 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. It is considered that a small increase of c.3% to charges as at Appendix 1 and a budget figure of £2,100 for 2012/13 is considered realistic in the circumstances.

- 3.4 **Advertising** – In previous years there has been some income from Hotels and bed and breakfast establishments by charging for advertising space in publications produced by the City Council to promote Carlisle. 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.

There is some scope to raise advertising revenue through the new Discover Carlisle web site however income in 2011/12 has been minimal to date. The potential for developing the commercial aspects of this facility further, hence exploring the potential for income, will form part of the overall review of Tourism support that will occur by April 1st 2012.

Business Development

- 3.5 **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. Market forces suggest that there is little scope for increasing rental values and income in the foreseeable future.

It is proposed that Service Charges are raised 5% for 2012/13 in line with inflation, this being necessary to meet likely increasing costs of such services delivered under this charge.

Based on current information available and the prices set out within the appendices, it is anticipated that the Enterprise Centre will fall around 10% short of budget from miscellaneous income (excluding service charge) of £11,500 in 2011/12. This is largely down to a shortfall of income from Meeting Room Hire and unless there is improved marketing of these facilities such miscellaneous income will continue to be under downward pressure, with very little scope for increasing charges.

It should be noted however that a substantial review of the Enterprise Centre will be undertaken by April 1st 2012 and all facets of the operations, including rental figures, service charges, and miscellaneous income will be considered.

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. There will therefore be a shortfall of income of £135,500 against the projected MTFP target. In addition, the Government's desire to drive economic growth and planning one of their barriers, there is unlikely to be any increase in planning fees which are currently set nationally.

Other Charges

- 4.3 Many Planning Authorities charge for other services including Certificates of Proposed Lawful Development - £75 and pre-application discussion and discharge of conditions. These proposals will not generate a large amount of income but it is proposed that they should be introduced on 1st April 2012.
- 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, a review of charges in January 2012 is proposed, 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 £560,900 which is summarised in the table below:

Service Area	Original Estimate 2011/12 £	MTFP Target 2012/13 £	Original Estimate 2012/13 £	Difference to MTFP Target £	% (Increase)/ Decrease
Enterprise Centre	25,900	26,900	26,900	0	(3.8%)
Assembly Rooms	2,000	2,100	2,100	0	(3.8%)
Planning General	3,100	3,200	3,200	0	(3.8%)
Development Control: Determinations	1,100	1,100	1,100	0	0%
Local Plans	1,700	1,800	1,800	0	(3.8%)
Development Control Fees	637,100	661,300	525,800	135,500	17.5%
Total	670,900	696,400	560,900	135,500	

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 £560,900 against the MTFP target of £696,400. This is a shortfall of £135,500.

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 2012.

8. REASONS FOR RECOMMENDATIONS

The Executive is asked to agree the charges as set out in the relevant Appendices with effect from 1st April 2012, 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 £560,900 against the MTFP target of £696,400. This is a shortfall of £135,500 and has been incorporated into the overall shortfalls income across the Council in report RD64/11.
- **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 high 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	11/12 Charge £	12/13 Charge £	Implement ation Date	% Inc
Supply of decision notices (per item)	10p per page (no charge for postage)	10p per page (plus postage)	08/09/08	0%
Supply of planning histories (per item)	10p per page (no charge for 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 (no charge for postage)	10p per page ((plus postage)	08/09/08	0%
A2 Plans		B&W £1.12 per copy Colour £1.25 per copy	01/04/12	New
A1 Plans		B&W £1.40 per copy Colour £1.65 per copy	01/04/12	New
A0 Plans		B&W £2.00 per copy Colour £2.50 per copy	01/04/12	New
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	£12.60 initial fee & £12.60 each additional hour + copying charges	£13.00 initial fee & £13.00 each additional hour + copying charges	01/04/12	3.2%

Additional Charges – Development Control

Fee Description	11/12 Charge £	12/13 Charge £	Implementation Date	% Inc
Yearly subscription to weekly press list (per financial year)	140.00 (inc VAT)	145.00 (inc VAT)	01/04/12	3.6%
Yearly subscription for report on planning decisions	82.00 (inc VAT)	85.00 (inc VAT)	01/04/12	3.6%

Additional Charges – Building Control

Fee Description	11/12 Charge £	12/13 Charge £	Implementation Date	% Inc
Supply of Radar Keys	3.00	3.00	06/10/08	0%

Additional Charges – Local Plans

Fee Description	11/12 Charge £	12/13 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	170.00	176.00	-	01/04/12	3.5%
Local Development Scheme	6.25	6.50	1.75	01/04/12	4%
*Adopted Carlisle District Local Plan 2001-16 (2008)	39.50	41.00	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	11/12 Charge £	12/13 Charge £	Postage £	Implementation Date	% Inc
Retail Study C B Hillier Parker (2000)	65.00	67.50	3.00	01/04/12	3.8%
Retail Study Update (2009)	34.50	36.00	3.00	01/04/12	4.3%
Strategic Flood Risk Assessment (2011)	40.00	41.50	3.00	01/04/12	3.8%
Biannual Housing Land Availability Assessments - site details (per copy) (Excludes SHLAA)	27.00	28.00	3.00	01/04/12	3.8%
Green Infrastructure Strategy		45.00	3.00	01/04/12	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>2012</u> <u>£</u>	<u>Implementation</u> <u>Date</u>	<u>Charge</u> <u>2011</u> <u>£</u>	<u>Implementation</u> <u>Date</u>
Charges to Tenants:				
Total Monthly Service Charge ¹	48.00	01/04/2012	45.70	01/04/11
Total Monthly Service Charge [2 nd workspace] Millennium Suite	28.60		600 ² (per annum)	
Word Processing (per A4 sheet)	3.50		3.50	
Photocopying (per sheet) - A4 B&W	0.10		0.10	
	0.40		0.40	
	N/A		N/A	
	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) ³	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		
Charges to Non Tenants				
Meeting Room Small (per day)	52.00	01/04/12	52.00	01/04/11
Conference Room Large (per day)	90.00		90.00	
Coffee (per half day)	8.00		8.00	

¹ The difference in the service charges is if a person has one room (£45.70 this year) or 2 rooms (£45.70 on first room, £27.25 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 This is a fixed rate in accordance with the immediate past and proposed lease arrangements to new tenant

OLD TOWN HALL VISITOR CENTRE

	<u>Charge</u> <u>2012</u> £	<u>Implementation</u> <u>Date</u>	<u>Charge</u> <u>2011</u> £	<u>Implementation</u> <u>Date</u>
Assembly Room Hire				
Charges per session as follows:				
Mornings 9.30 – 1.00	62.00	} 01/04/2012	60.00	} 01/04/2011
Afternoons 1.30 – 5.00	62.00		60.00	
Mornings & Afternoons 9.30 – 5.00	124.00		120.00	
Evenings 6.30 – 10.00	62.00		60.00	
Afternoons & Evenings 1.30 – 10.00	124.00		120.00	
Each additional hour	23.00		22.00	
Charge for use of - kitchen	23.00		22.00	
<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"> i. Registered Charities ii. OAP Groups iii. Other community groups e.g. community organisations, unemployed groups, etc. 				

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?