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## **Executive Member For Neighbourhood Services and Advisory Panel**

**7th December 2006**

Joint Report of the Director of Neighbourhood Services and the Director of Resources

### **Revenue Budget 2007/08 – Neighbourhood Services Fees and Charges**

#### **Summary**

- 1 The report advises Members of the proposed fees and charges for Neighbourhood Services for the financial year 2007/08 and the anticipated increase in income which they will generate. The Annex 1 to the report sets out the detail of the individual charges.

#### **Background**

- 2 The fees and charges for Neighbourhood Services are complex and varied. Some are controlled by regulation, some by national guidelines and others by market forces or the cost of administering the service. Elsewhere in these budget papers Members are advised of the effect on the service of budget reductions. The level of fees and charges has been set against this background of severe financial constraint and service reductions. Income is a key factor in setting budgets, and currently is approximately £2.1 million. In ensuring a balanced budget, it is therefore essential that income is at least maintained, if not improved. It is proposed to introduce an above inflation increase in a small number of areas as part of the Council's savings proposals to reduce the associated net service costs.

#### **Consultation**

3. This section should include details and results of any consultation that has taken place within and/or outside the Council. If the report concerns the Council budget or Policy Framework, comments of the relevant Scrutiny Board or Committee must also be included.

#### **Options**

4. This section sets out the key elements for Members' consideration. Only those with significant income are highlighted.
5. **Bereavement Services:** It is proposed to increase the cremation fee from £495 to £536. The increase, incorporating other proposed changes, is

estimated to generate additional income in the next financial year of £86k (including the savings proposal of £56k).

6. **Environmental Health:** A broadly inflation matching increase is proposed, although some fees that are set by government are yet to be announced or are currently being consulted on for 2007/08.
7. **Trading Standards:** Most fees are determined by government or LACORS (Local Authorities Coordinators of Regulatory Services) and some are yet to be announced for 2007/08.
8. **Regulatory Services:**
  - **Licensing Act 2003:**

The Licensing Act 2003 introduced a new range of charges for licences relating to the sale or supply of alcohol, provision of entertainment and of late night refreshment. The fees are set by statute but the basis and level of charging is being reviewed with a report due in autumn 2007.
  - **Gambling Act 2005:**

The Gambling Act received Royal assent in April 2005. Local authorities will have duties under the Act to licence premises used for gambling. The function should be self financing through the receipt of fees. Fee bands with a prescribed maximum will be set by the Secretary of State. Local authorities will be free to apply a cost recovery fee from within the band levels. Licence applications are expected from April 2007 with full implementation from September 2007.
  - **Street Trading – Street Trading Consents:**

A saving of £15k is proposed which will be achieved from additional income by introducing new trading sites in the city centre.
  - **Pest Control:**

It is proposed to increase pest control treatment charges above inflation generating an additional £5k income (including £4k proposed saving). Treatment for rats in commercial situations and non rat treatments will increase by £6.00 (incl. VAT) and rat treatments in non commercial situations by £1.00 (incl. VAT). Rat treatments are free to those on income support and a discount introduced in 2006/07 to discount all non rat treatments by 50% for those on income support will continue.
9. **Taxi Licences:** Legislation permits local authorities to recover the costs of administering the taxi licensing function through the levy of fees. The adjustment of fee income is used to obtain a balanced account.
10. The taxi licensing account to the end of 2005/06 showed an accumulated surplus of £21.5k. The latest projection for 2006/07 is that the account will overspend by £9.4k, which will bring the account into surplus by £12.1k. Fee income has been adjusted for predicted volume changes and estimated costs, and given the current surplus it is not proposed to increase fees in

2007/08. This will bring the account into balance by 31<sup>st</sup> March 2008. The proposed budget for 2007/08 is indicated below.

	<b>Estimated Outturn 2006/07 £'000</b>	<b>Proposed Budget 2007/08 £'000</b>
<i>Expenditure</i>		
Direct Employee Cost	79.7	86.5
Transport Costs	0.4	0.4
Vehicle Testing Fees	18.1	18.6
General Office Expenses	22.4	15.7
Management & Other Support Costs	68.9	71.0
<b>Total Expenditure</b>	<b>189.5</b>	<b>192.2</b>
<i>Less Income</i>		
Accumulated Surplus	21.5	12.1
Hackney Carriage Licences	40.3	40.3
Private Hire Licences	139.8	139.8
<b>Total Income</b>	<b>201.6</b>	<b>192.2</b>
<b>Net Surplus (Deficit)</b>	<b>12.1</b>	<b>0.0</b>

11. It can be seen from above that the projected accumulated position for the taxi account for 2007/08 will be in balance. However this will be due to an actual loss in the year of £12.1k. It is important to recognise therefore that fees will need to be increased / or costs reduced in future years in order to maintain a balanced budget position where income equals expenditure in the same year.
12. **Bulky Household Collection:** A new contract is in the process of being tendered in respect of the collection service and it is proposed to bring a separate report on bulky household collection service and charging policy in February 2007.
13. **Fridges and Freezers (Commercial):** It is proposed to increase charges by inflation.
14. **Trade Waste Charges:** It is proposed that trade waste that requires to be disposed of in landfill will be charged at £70 per tonne however waste that can be recycled or composted will be charged at £35 per tonne. Charges proposed also include a minimum fee for using the service, and a minimum percentage of recyclable waste to qualify for the recycling or composting rate per tonne. The charges proposed for trade waste are increasing by more than inflation to cover additional operating costs, including landfill tax increase at £3 per tonne and site management costs in respect of dealing with trade waste.

15. **Public Conveniences:** It is not proposed to increase the charge for using public toilets in 2007/08.

### **Corporate Priorities**

16. The differential costs for the trade waste charges going through the Household Waste Recycling Centres (HWRC), see paragraph 14 above, is structured to encourage traders using the sites to ensure as much waste as possible is recycled. This contributes to the Corporate Priority of 'Decreasing the tonnage of biodegradable waste and recyclable products going to landfill'.

### **Implications**

17. The implications are:

- **Financial Implications**

18. The current income generated from Neighbourhood Services fees and charges is estimated to be £2.1 million. Broadly inflation matching increases are proposed for 2007/08 except for the cremation charges, pest control, waste collection and trade waste charges. The increases are estimated to generate additional income totalling approximately £115k including proposed savings of £75k.

- **Human Resources (HR)** There are no Human Resources implications.

- **Equalities** There are no equality implications to this report.

- **Legal** There are no legal implications to this report.

- **Crime and Disorder** There are no crime and disorder implications to this report.

- **Information Technology (IT)** There are no information technology implications to this report.

- **Property** There are no property implications to this report.

- **Risk Management**

19. Key reporting mechanisms to Members on budget matters will continue to be through two mid-year monitoring reports and the final Revenue Outturn report for the year. These reports will also address the progress made on investments and savings included in the budgets.

20. The budget setting process always entails a degree of risk as managers attempt to assess known and uncertain future events. This year has demonstrated the difficulty of achieving this. As with any budget the key to mitigating risk is prompt monitoring and appropriate management control. As such updated figures and revised corrective actions will be monitored via

Directorate Management Teams, Corporate Management Team and the monitor reports during the year.

### Recommendations

21. The Executive Member is asked to consider the fees and charges proposals for Neighbourhood Services for 2007/8 contained in this report and provide comments to be submitted to the Budget Executive on 16th January 2007.

Reason: To update the Executive Member on the proposed fees and charges for Neighbourhood Services for 2007/08.

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**Report Approved**  **Date** 22/11/06

**Report Approved**  **Date** Insert Date

**Specialist Implications Officer(s)** *List information for all*

*Implication ie Financial*

*Name*

*Title*

*Tel No.*

*Implication ie Legal*

*Name*

*Title*

*Tel No.*

**Wards Affected:** List wards or tick box to indicate all

**All**

**For further information please contact the author of the report**

**Background Papers:**

See budget report as part of the agenda

**Annexes**

Annex 1 – Details of individual charges for Neighbourhood Services Fees and Charges