

Wiltshire Council

**Joint Overview and Scrutiny Select Committees
10 February 2011**

**Cabinet
15 February 2011**

**Council
22 February 2011**

Subject: Fees and Charges 2011/12

**Cabinet Member: Councillor Fleur de Rhe-Philippe
Finance, Performance and Risk**

Key Decision: Yes

Executive Summary

This report details the budget proposals for 2011-12 for fees and charges across the council.

Proposal

To approve the fees and charges as included in the revenue budget proposals for 2011/12.

Reason for Proposal

Cabinet are aware of the fees and charges, as detailed in Appendix 1, and that they have been incorporated into the revenue budget proposals for 2011-12.

**Michael Hudson
Interim Chief Finance Officer**

Wiltshire Council

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Purpose of Report

1. This report details the range of fees and charges that are included within the budget proposals for 2011-12.
2. In summary the proposed level of Fees and Charges income for 2011-12 is £53.910 million compared to £60.479 million in 2010-11. This is a reduction of £6.569 million between the two years, the main reason for this shift has been a technical accounting reclassification of income arising from changes in International Accounting Rules, that was previously classified as fees and charges in 2010/11 but has now been categorised as other income e.g. internal charges to the Housing Revenue Account £1.169 million, charge to the Pension fund of £1.228 million.
3. The general guidance was to raise discretionary fees and charges, where the customer has a choice, by 1% above inflation which for budget setting used Consumer Price Index (CPI) indices at 3.4%, therefore equating to a 4.4% increase.
4. It should be noted that although discretionary fees and charges may have been increased in line with the guidance other factors e.g. economic and demographic have impacted on the proposed budgeted income, and these have all been factored into the base budget proposals for 2011-12.
5. Fees and Charges represent a significant source of income to the Council. In some cases Fees and Charges make a full contribution to the cost of the relevant Services, whilst in others they make a part contribution.

6. It is important that fees and charges are set an optimal level which balances a range of issues including:
 - a. Market conditions, demands and trends (including the current economic climate)
 - b. Inflationary cost pressures
 - c. Policy priorities across the Council such as social inclusion, anti-poverty and equality impacts
 - d. User needs
 - e. Strategic powers of charging
 - f. Legal requirements, notification requirements and other statutory obligations
7. This report presents the fees and charges 2011-12 after consideration of the above issues as incorporated into the 2011-12 revenue budget proposals.

Main Considerations for the Council

8. Like all authorities, the Council is experiencing financial constraints which are likely to increase from 2011-12 onwards. This increases the importance of a clear income strategy for Fees and Charges.
9. Since Wiltshire Council was established on 1 April 2009, work is continuing to ensure that Fees and Charges are harmonised where appropriate. The Council will incorporate its strategy on Fees and Charges as part of the financial plan.

Statutory Fees and Charges

10. There are a range of Fees and Charges which are governed by statute over which the Council has no discretion to change the rates and alter income levels.
11. This report sets out below, by department, an explanation of the major streams of income that have been included in the revenue budget proposals for both statutory and non statutory fees and charges.

Department of Neighbourhood and Planning

Highways & Streetscene Services - £1.718m

12. There are a wide variety of services which are chargeable within this area including; markets, skips and scaffolding licences, cemetery fees, public conveniences, Gypsy site rents and charges.

Car Parking - £9.292m

13. Car parking fees have been scrutinised and approved within the Council's parking strategy. The fees set for 2011-12 are in line with the policy approved by Cabinet at its meeting in December 2010.

Leisure Services - £4.877m

14. Leisure services charge for all activities and courses which are undertaken at each leisure centre, including all fees for swimming, sports hall hire, squash courts, fitness facilities, pitch hire and tennis courts.
15. The fees and charges are set locally, and differ between hubs and individual Centres. The overall increase for fees and charges for 2011-12 has been set on average at 1% above CPI as in line with the guidance.
16. It has been decided not to harmonise fees and charges at this time due to the complexity and number of differing fees and charges. Each leisure centre competes in a local market against private facilities, and must therefore be mindful of this competition when setting its fee structure. The quality of centres varies considerably and is reflected in the charges. In addition, facilities in two districts are outsourced and therefore fees are set externally.

Strategic Highways - £0.632m

17. The main charges under this service include those levied under the New Roads and Streetworks Act to regulate the works of utility companies on the highway and supervision fees paid by developers under Section 38 agreements relating to estate roads. There is also a smaller amount of income from road safety driver training courses.

Passenger Transport - £0.735m

18. The largest item of income is from the 16+ student travel pass. Other income is from other non statutory school transport, this is denominational transport and transport of non entitled children where spare seats are available on school buses.

Waste Services - £2.898m

19. This income is made up from commercial waste collection, garden waste collection (pending the introduction of a county-wide free garden waste service during 2012) and other miscellaneous charges e.g. bulk waste collection.

Housing – £0.332m

20. Income derives from the Care Connect service providing lifelines to vulnerable tenants and also fees from the Kingsbury Hostel.

Development Services - £4.708m

21. This includes income from planning fees of £2.309 which is mainly charges for planning applications. Planning applications fees are mainly set nationally, although discretionary fees are being introduced from 2011-12 for pre application advice. The budget has been set at a lower level than for 2010-11 reflecting the actual income levels achieved during the current year in which the economy has remained subdued.
22. Building control charges represent £1.576m of the Development Services income. The setting of charges for Building Control works has been devolved to local authorities by the Secretary of State, and therefore Wiltshire Council has discretion over its charging structure. The Building Control service sets fees as part of a wider Wessex Group, under the Local Authority Building Control brand. The Group regularly reviews charges and ensures consistency over the charging structure within the geographic area of Wessex. The Building Control service operates within a competitive market.
23. Land charges account for £0.823m of the Development Services income. Fees for the LLC1 (Register of Local Land Charges) and the CON29 (Enquiries of Local Authorities) are all set locally. There is significant competition in this area from private sector search agents. As with planning fees the budget has been set lower than for 2010-11 reflecting the actual income achieved during the current year.

Business Support - £0.018m

24. Income is generated from a new charge for processing applications to change highways to allow vehicle access.

Department of Community Services

Adult Social Care - £15.549m

25. The vast majority of charges levied within Adult Social Care are non-discretionary. Charges for residential care are determined in accordance with statutory regulations. Each person has a financial assessment which determines the fee level. Domiciliary care fees are also subject to a financial assessment which covers allowable expenses and disposable income.

Libraries, Heritage & Arts - £0.637m

26. This is income collected from fines on overdue library books, photocopying and also from the hire of audio visual equipment such as DVDs. In addition, it includes income for the use of services, such as archaeological services.

Department of Wellbeing and Health

27. Public Protection encompasses a large number of activities for which licensing is required, such as hackney carriage, liquor, petrol, animal passports, gambling, and temporary event notices. In addition, the pest control service comes within this remit.
28. The increase in fees and charges is determined in a number of ways. Where there is an element of discretion, then the increase will depend upon the nature of the service. In a competitive market, such as Pest Control, the prevailing market conditions will determine any price sensitivities and therefore any increases.
29. For other services, such as some of the licensing functions, the fees can be set after appropriate consultation. Benchmarking exercises with other neighbouring authorities are carried out to enable reasonable comparisons with similar services. For the 2011-12 budget an average increase of 1.0% above inflation has been proposed.

Department for Children and Education

Schools & Learning Branch - £2.865m

30. This income includes the training and conference income charged by Urchfont Manor and Braeside in order to offset running costs. Also included are charges made by the Council to individual schools that have their own delegated budgets. This is agreed under the Right Choice regime and no increase has been proposed for 2011/12 as there has been no inflationary increase to the schools funding settlement. This covers fees within DCE but also recharges of costs within Human resources, payroll and other support functions.

Commissioning & Performance Branch - £1.267m

31. This income includes charges to schools for the Sickness Supply Cover Insurance Scheme. Premiums are calculated based on the staffing profile in individual schools who join the scheme.

Targeted Services - £0.518m

32. This income includes £0.198 million income from schools and youth clubs in to the Youth Development Service. Also included is £0.300 million income from charges to schools for preventative work by the

Young Persons Support Service. Again, this has not been increased because schools have received no inflationary increase.

Department of Resources – £6.735m

33. The majority of income relating to Resources can be broken down into four main revenue streams, as detailed below, all of which are self explanatory.
- Commercial Property & Farm Rental Income - £3.678 million
 - Right Choice income from schools - £0.800 million
 - Payroll services - £0.675 million
 - Registration & Licence fee income - £0.659 million
34. Other sources of income to the department include revenue raised from advertising and sponsorship of £0.370 million and external legal work of £0.223 million.

Equalities Impact of the Proposal

35. In considering fees and charges, we have taken into consideration the existing equality priorities identified through public consultation as set out in the Equality Strategy. The budget has ensured we protect and safeguard the most vulnerable in our communities and also invest in many areas to improve lives and access to services for all the people of Wiltshire. The anti-poverty strategy will also ensure we protect people in Wiltshire.

Legal Implications

36. There will be legal implications in some service areas e.g. car parking regarding the notification and consultation on fee increases. These will be addressed by the relevant department.

Risk Assessment

37. In setting the 2011-12 revenue budget proposals assumptions have been made about the demand for services proposed, where the level of Fees and Charges is proposed to increase.
38. There is a risk that demand for services will differ from the assumptions made and income levels fall below that which is anticipated. This would create a cost pressure which would have to be managed and mitigated by the services concerned as part of the normal budget monitoring process.
39. There is also a risk that external factors e.g. economic and demographic could change beyond the boundaries of those factored into service assumptions on the budgeted level of income to be

received. Again this would have to be managed and mitigated through the monthly budget monitoring process.

Financial Implications

40. The financial implications are incorporated as part of the revenue budget proposal 2011-12 report.

Michael Hudson
Interim Chief Finance Officer

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Unpublished documents relied upon in the production of this report: None
Environmental impact of the recommendations contained in this report: None

Appendix 1: Detailed fees and charges budgets per department.