

RESOURCES & PERFORMANCE SCRUTINY BOARD FEES & CHARGES SCRUTINY 2008

CONCLUSIONS AND RECOMMENDATIONS

OBJECTIVES

The primary purpose of the Fees & Charges scrutiny review was to identify the service areas where through reviewing fees and charges a fair balance could be struck between cost of service provision and income for the Council. In particular where fees and charges were historic, had not been reviewed for some time and had fallen behind being a 'reasonable' charge for the service received. The review also set out the practicalities of how this could be achieved, and to assess how compatible this would be with the Council's overall objectives. The outcome should deliver increased income which will help to alleviate future budget pressures.

METHODOLOGY

The Resources and Performance Scrutiny Board (R&PSB) conducted the review, supported by the Finance Director, Service Accountants and the Scrutiny Officer.

Members of the R&PSB met informally on four occasions to gather evidence and discuss ideas with specific Heads of Service. The conclusion was a formal committee meeting on 18 November when the R&PSB "challenged" specific Portfolio Holders and Heads of Service on proposals for income generation.

CONCLUSIONS

- That the absence of a uniform policy or system for the review of fees and charges within the Council had resulted in a confusion of individual charges and policies, many of which could not be explained or justified.
- That there should be a regular (annual) review of all fees and charges; and that this should involve objective/independent comment from councillors/officers outside the portfolio/service area.
- That there should be a clear and consistent approach to charging across the Council.
- That any discretionary charge must recover the cost of provision of the service.
- That there is a need for improved management information to inform the review and decision making process. This same information should support and assist Service Heads in the ongoing operation of the service area.

- The Fees & Charges review did not look at the Council's property portfolio. However, this is an area that should be subject to review and asset management has been identified as a potential topic for scrutiny in 2009.

Recommendations	Reasons	Projected additional income 2009/10
1. The Executive should formalise a Fees & Charges process to:		
i. ensure the implementation of the proposals, if accepted, for individual fees & charges in the 2009/10 budget;		-
ii. formulate a charging policy for the Council;	The Council needs a clear and consistent charging, discount and concessions policy based on equitable access to all services.	-
iii. formulate a discount policy for the Council;		-
iv. formulate a concessions policy for the Council;		-
v. develop initial strategic thinking for income generation in the 2010/11 budget;		-
vi. identify the type of management information required to support a more robust and standardised approach to the setting of fees and charges;	This scrutiny review was on occasion limited by the lack of detailed management information and limited analysis of the financial data. The decision making of members and officers can only be improved by the timely provision of better data.	-
and that the Executive should invite:		
vii. 2 or 3 members of the R&PSB to be involved in the on-going Fees & Charges review process.	This allows the R&PSB to be pro-active in discharging its responsibility for the overview and scrutiny of the Council's finance budgets and services.	-
2. The Executive should ensure that the annual Budget and Service & Financial Planning process includes a review of all fees and charges and that this should involve councillors and officers from outside the portfolio/service area.		-
3. The Finance Scrutiny Working Group (FSWG) should monitor the impact of the (accepted) proposals for individual fees & charges on the 2009/10 outturn. The FSWG should also review income generation as part of its routine work programme.	This is central to the role of the FSWG, which is charged with responsibility for the detailed scrutiny of budgets and finance and is expected to consider profiled spends and outturn (e.g. car park income).	-

Legal and Democratic Services		
4. That within Legal and Democratic Services and the Corporate Centre the Executive should:		-
i. Maintain the Land Charges Personal Search fee in line with statutory fees and continue to lobby government for legislation to allow local authorities to recover the costs of this service;	Statutory fee is £11; current CDC cost estimate for providing the service is £40.	TBA
ii. review the hourly rate charged to external clients, including town and parish councils, for legal work and advice;	CDC charge £79/hr to town/parish councils to recover costs. The commercial charge and local comparator rates are higher.	TBA
iii. increase the corporate charge for copying to 20p per sheet.	In line with "high street" charges.	TBA
Building Control and Engineering Services		
5. That Building Control and Engineering Services are to be commended for their business like approach and their practice of maintaining an on-going review of fees and charges.		
Urban and Rural Services		
6. That within Urban and Rural Services the Executive should:		
i. introduce the changes to the various licensing fees and charges as set out in Annex 1, items a – e;	As set out in Annex 1.	£12,000
ii. increase the Excess Charge Notice (ECN) fees from £50 to £70 and £35 to £50 with the latter discounted to £40 for early payment from January 2009 (Annex 1 item f);	CDC rates are lower than other Oxon authorities. These will be standardised with the introduction of Civil Parking Enforcement (CPE) ~ likely to be during 2010/11. CDC has agreed to adopt a clear and strong approach to enforcement through the revision of the Parking Enforcement policy. CDC has the option to do nothing until introduction of CPE or to increase rates now and bring in line with predicted CPE charges.	£30,000
iii. increase the charges for season tickets as set out in Annex 1 item g and support this with a clear policy/formula for the pricing and application of discounts;	No apparent rationale for current prices or discount rates. Proposed season ticket prices will still be significantly below private competitor rates and offer generous discounts on daily tariff. The Council needs a clear and consistent discount policy.	£34,900
iv. increase the pay & display parking tariff by £0.10 per hour (Annex 1 item h);	No general parking tariff increase since April 2003 & Sunday charges introduced in April 2004. If annual RPI increase had applied current charge would be slightly	£323,400

	higher than rate after proposed 10p increase. Hourly rate still significantly cheaper than private sector competitors in Banbury. Staged increase over 2 years reduces potential income and duplicates costs/resource demands. Technical considerations re 5p coin.	
v. postpone any increases in charges to the Bicester Residents Parking scheme until the completion of the review into that scheme and the proposals for the roll-out of similar scheme in Banbury;	Significant practical problems with the implementation of the Bicester scheme, especially relating to enforcement. Cost base and pricing structure must be considered as part of specific review into district wide residents parking schemes.	Nil Impact
vi. ask officers to explore the possibility of amending the conditions of the Bicester Residents Parking Scheme to allow the permit holders to use the Cattle Market car park during the day. This arrangement should be temporary and kept under review as part of the town centre development project;	Offers practical solution and alleviation to some members of the Bicester Residents Parking Scheme. Cattle Market car park is severely underutilised. In the short term there is no adverse impact on income generation.	Nil Impact
vii. ask officers to review the arrangements, with particular reference to cost recovery, for the Banksman post at the Banbury bus depot (Annex 1 item k);	The Council needs to understand the full costs of this arrangement and to examine how other local authorities offer similar services.	Nil Impact
Environmental Services		
7. That within Environmental Services the Executive should:		
i introduce a pest control fee for the treatment of rats and mice;	Local comparators charge for this element of pest control. Need to set appropriate fee level consistent with external pest control contract.	Fee to be determined. (Approx 700/yr)
ii consider the concessions structure for pest control as part of an overall concessions policy;	The Council needs a clear and consistent concessions policy based on equitable access to all services.	-
iii increase the charge for the recovery of abandoned vehicles in line with other local authorities;	Current £10 fee is below local comparators. Fee increase anticipates possible upturn in incident rate as a result of changes to scrap metal value.	Approx 60/yr @ increased rate of £30 = £1,200 (additional income)
iv set the MOT service price at the statutory rate and ensure that future price increases are applied as soon as the new statutory rates are published;	This is a discretionary service where traditionally the fees are set slightly below the statutory level. It has a strong local customer base. For some categories of vehicle it is	Minimal Impact

	the only local supplier.	
v ensure that the unit sale price of blue or brown bins (other than for promotional campaigns) covers the cost of provision;	Fee needs to strike an appropriate balance between promoting recycling and recovering the costs of bins.	-
vi increase the charge for bulky waste in line with neighbouring authorities and withdraw the free collection for fridges/freezers;	Current £10 fee is below local comparators and only 33% of collections attract a charge. Fee level needs to increase if we are to encourage use of retailers' disposal schemes and to minimise risk of increased fly-tipping.	Approx 3200 paid collections/yr @ increased rate of £20 = £32,000 additional income.
vii consider the concessions structure for bulky waste as part of an overall concessions policy;	Local comparators do not offer concessions. The Council needs a clear and consistent concessions policy based on equitable access to all services.	-
viii ask officers to explore opportunities for closer working with local organisations to optimise recycling and re-use of bulky waste;	Promotes reduce, re-use, recycle principles and supports the Cleaner, Greener corporate priority.	-
ix increase the charge for the trade waste service so that costs are fully recovered in parallel with the promotion of a trade waste recycling initiatives.	This is a discretionary service and must recover its costs. Supports the Cleaner, Greener corporate priority.	Fee to be determined.
Total projected additional income in 2009/10		£433,500

Urban & Rural Services Fees and Charges - Scrutiny Summary 2009/10

As at 18 November 2008

	Element	Current Income	Proposal for 2009/10	Comments	Additional Income Projection 2009/10
a.	Street Trading	£36,000	Raise the £7.53/day to £10/day equivalent	No increase since 2005. Then a 3 year programme to bring in line with benchmark review. Then review/RPI each year.	£11,800
b.	Tables and chairs	£2,500	10% increase	Complete a review and introduce more robust arrangements. 2 year programme to bring in line with benchmarking. Then review/RPI each year.	£250
c.	Markets Bicester and Kidlington	£52,000	Equalisation of frontage rental	Friday charges in K currently half the price of Saturday charge. Then review/RPI each year	Nil net effect
d.	Premises Licenses		No change	Controlled by legislation	Nil
e.	Gambling Act Permits		No change	Controlled by legislation	Nil
f.	Gambling Act Premises	£7,700	Increase by RPI-3%	Need to control so income nets off costs. Then review/RPI each year	£230
g.	Taxis (vehicle and drivers licenses) (Private Hire and Hackneys)	£120,000	3-5% increase subject to benchmarking	3 year programme to bring in line with benchmark review. Then review/RPI each year	£3,600-£6,000

Annex 1

h.	Excess Charge Notices (ECN)	£240,000	£50 increased to £70 £35 increased to £50 discounted to £40	Bring in line with Civil Parking Enforcement (CPE). If assume 6000 ECN's issued and average value is £45. Note CPE legislation could well result in lower income on its introduction.	£30,000
i.	Season Tickets	£105,000	Base costs on discounted daily pay and display rate Bring discounts to same level across the District.	Monthly 24% discount Quarterly 30% discount Annual 37% discount Then review / RPI each year These are the current levels of discount using Banbury season tickets and pay and display as the benchmark	Bicester £19,392 Banbury £15,508
j.	Pay and Display Bicester Banbury	£673,296 £917,844	£0.10 per hour increase	Based on Average increase of 21.6% in Bicester. Based on average increase of 19.39% in Banbury. Then annual review and bi annual increase.	Bicester £145,431 Banbury £ 177,969
k.	Residents Parking Bicester	£6,250	All Residents permits £65. An increase from £50 and £25.	Then review / RPI each year visitor permits are free but could charge at £10.00 per book of 25 = additional £4,400	£2,650
l.	Road Closures	£4,000	5% increase		£200
m.	Bus departures	£12,000	Increase by RPI-3%	RPI each year	£360