

# **Cherwell District Council**

## **Lead Member Decision – Lead Member for Planning**

**5 January 2018**

### **Charging for Street Naming and Numbering**

#### **Report of Executive Director: Place and Growth**

This report is public

#### **Purpose of report**

To agree to adopt a scheme of charging for the addressing of new properties, for the re-addressing of existing properties when requested and appropriate and for responding to miscellaneous postal address enquiries.

To enable the recovery of the Council's costs in delivering these discretionary services pursuant to Section 93 of the Local Government Act 2003.

#### **1.0 Recommendations**

It is recommended that the Lead Member:

- 1.1 Agrees to adopt the fee charging scheme as detailed in Section 3.2 in this Report.
- 1.2 Amends current policy and guidance documents so that both Councils utilise the same process and procedures.
- 1.3 Implements the scheme on 1 February 2018

#### **2.0 Introduction**

##### **Powers for Charging**

- 2.1 The Local Government Act 2003 brought about new devolved powers for Local Authorities, these included giving Councils new powers to trade and charge for non-statutory services if they are Best Value Authorities (section 93 of the Act).
- 2.2 Authorities when charging for discretionary services have a duty to charge no more than the costs they incur in providing the service. These charges discussed here are not subject to VAT.

- 2.3 The aim is to improve income streams and encourage improvements to existing services and develop a system and process that is self-financing and cost-neutral.
- 2.4 The street naming and numbering service is a service that both South Northamptonshire Council and Cherwell District Council currently provide with no charges being levied. Technically, it is a discretionary service and so both Councils are able to charge for providing for it.
- 2.5 Of the six Councils in Northamptonshire, South Northamptonshire is currently one of three that does not charge. Of the five Councils in Oxfordshire Cherwell is the only one that does not currently charge.
- 2.6 For information, as the annual income derived from this scheme would not be more than £50,000 at each Council, this can be dealt with at Cherwell via a Lead Member non-key decision. A Cherwell Lead Member report is being considered in parallel to this report.

### **3.0 Report Details**

#### **Street Naming and Numbering Service Areas**

- 3.1 There are three main areas of activity within this service.
- (a) naming of new streets and numbering of new properties within those streets;
  - (b) administering house name/Company names changes when requested by the house/Company owner;
  - (c) responding to miscellaneous address enquiries, for example from Solicitors wishing to confirm the official address of a property as part of a purchase

Very occasionally a request is received to re-name an existing street and thus re-address the properties within it. This service does not lend itself to a standard charge as in the case of the three activities above.

The Council delivers their service through powers provided under Sections 17 and 18 of the Public Health Act 1925.

The beneficiaries of this service are developers, property owners, utilities, partner organisations and the Royal Mail. It is proposed that the charges are levied only on the parties that request the service, so in the main part, on the developers of new properties.

#### **3.2 Professional Charges and Income Derived**

Appendix A provides a synopsis of the charges levied by all the Oxfordshire and Northamptonshire Councils. It can be seen there is no standard model that has been adopted, and in some cases the scheme is fairly convoluted.

It is proposed in South Northamptonshire and Cherwell to adopt a much simpler scheme.

- (a) a standard charge of £25 is levied per newly addressed property;
- (b) a standard charge of £25 is levied per house/Company name change;
- (c) a standard charge of £30 is levied for responding to miscellaneous enquiries;
- (d) if a request for the re-naming of a street should come forward, it is assessed on its merits, and an estimate or quotation is provided based on the particular circumstance and the effort that will be needed to fully meet the request.

The above proposed charges will generate annual income of approximately £15,000 to South Northamptonshire and £25,000 annually to Cherwell where the rate of development is currently somewhat greater.

Under the rules governing Value Added Tax, VAT would not be applied to this service, as there are no alternative providers of the service.

#### **4.0 Conclusion and Reasons for Recommendations**

- 4.1 The Council has a policy to seek opportunities for new funding streams wherever possible. This initiative is consistent with that policy and positively promotes it.
- 4.2 The proposal will recover the Council's costs in providing this service.

#### **5.0 Consultation**

There are no external consultees for this proposal.

#### **6.0 Alternative Options and Reasons for Rejection**

Technically, the street naming and numbering service is a discretionary service. However, this service cannot be delivered by another party and to discontinue it would quickly result in significant reputational loss to the Council. Resultant chaos within the development sector would quickly ensue whilst all newly built properties become occupied without official addresses.

Not to implement a charging scheme would be a lost funding opportunity.

#### **7.0 Implications**

##### **Financial and Resource Implications**

- 7.1 There would be no resource implications as a result of this proposal.

The additional income generated to the council is estimated to be £15,000 in the first year of charging, if the current level of development activity within the District is maintained.

Comments checked by:

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## **Legal Implications**

- 7.2 The specific power to charge introduced in section 93 of the Local Government Act 2003 gives the council the power to charge for discretionary services (which are those services authorised by statute that a local authority is not required to provide but may do so voluntarily). The aim of the statutory power is to allow local authorities to recover the costs of providing services or improvements to services that they might not otherwise have been able to justify providing or been in a position to provide. There are no provisions within section 93 for calculating income and expenditure. This is left to the local authority's discretion.

Under this legislation, local authorities are under a general duty to secure that, from one financial year to the next, the income from charges for services does not exceed the costs of provision. This approach allows a local authority greater flexibility to balance their accounts over a period of time and recognises the practical difficulties for a local authority in estimating the charges for a discretionary service at the outset.

A local authority must offset any surplus or deficit in income as a result of any over or under recovery of charges when setting future charges for the discretionary service. This ensures that over time the income generated by the discretionary service equates to the cost of providing the service.

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## **8.0 Decision Information**

### **Key Decision - No**

Reason Non-Key: Decision legally within the power of the Council to make, not precluded by statute from being made under the Executive arrangements, does not meet Key-Decision thresholds and is not otherwise retained for decision by Council or delegated to a Committee of Council or an office

### **Wards Affected**

All Wards

### **Links to Corporate Plan and Policy Framework**

Run cost-effective business friendly regulatory services

## Lead Councillor

Councillor Colin Clarke, Lead Member for Planning

## Document Information

| <b>Appendix No</b>         | <b>Title</b>  |
|----------------------------|---|
| A                          | Table of Schemes of Charges levied by other Northampton and Oxfordshire Authorities |
| B                          | Legislation referred to in report (Section 17-18 Public Health Act 1925).           |
| <b>Background Papers</b>   |   |
| None                       |   |
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