

APPENDIX B4

GENERAL FUND FEES AND CHARGES FOR 2016-17

Finance & Staffing Portfolio – Land Charges

Fees for local land charge services are expected to be subject to new legislation in the early part of 2016-17. It is therefore recommended that no changes be made to the levels of fees at present; proposals for changes to levels of fees will be brought to Members for approval once any legislation has been enacted.

Environmental Services Portfolio

Fees and charges relating to the Environmental Services Portfolio were presented to the portfolio holder meeting on 28 January 2016, where it was agreed to confirm the proposed fees and charges set out in Appendix 1 of the report, with amendment of the figure of £50 to £75 for the full penalty for 'Section 55 offences – dog related offences' for 2016/17. A copy of the report can be accessed via the following link:

<http://scambsmoderngov.co.uk/ieListDocuments.aspx?CId=868&MId=6695&Ver=4>

Housing General Fund Portfolio – Travellers Sites

Gypsy and Traveller sites come under the legislation of the Mobile Homes Act 2011. Within this legislation, it states that pitch fees can only be raised/lowered by a maximum of the Retail Prices Index ("RPI") plus an addition of £10 each year, so increases/decreases may vary year on year.

The RPI figure taken on the anniversary of the review (i.e. 0.0% as at October 2015) has been applied to the pitch fees and rounded up to the nearest 50p for ease of collection.

<u>Site</u>	<u>2015-16</u> p.w.	<u>2016-17</u> p.w.
Milton	£68.00	£78.00
Whaddon *	£58.00	£78.00

* Council agreed on 26 February 2015 that an increase in the Whaddon pitch fee would only take effect once refurbishment works at the site were completed. The fee was therefore held at its 2014-15 level of £58. As the refurbishment works have only recently been completed, it is proposed to retain that pitch fee for the remainder of this year and then increase it to be in line with the Milton site w.e.f. 1 April 2016.

Planning Portfolio – Planning Pre-Application Service

At his meeting on 12 January 2016, the Planning Portfolio Holder endorsed the principle of a revised fee structure for pre-application advice, with staff costs and inflationary uplifts, details of which would be reported to Cabinet in February 2016, and changes to be implemented from 1 April 2016.

The general rate of inflation allowed in the Medium Term Financial Strategy (MTFS) for 2016-17 is 1.4% in line with the Office of Budget Responsibility's forecast. Several posts in the planning service have been subject to a market supplement; in addition to this, a provision for pay increases of 1.0% has been allowed for in the MTFS for 2016-17. Accordingly, an increase of 5% has been applied to the 2015-16 pre-app fees, and rounded up where appropriate. The resulting proposed fee charging schedule for 2016-17 is attached as **Appendix B4A**, with the current schedule for 2015-16 shown for comparative purposes.

Planning Portfolio – Building Control Shared Service

The proposed single fee schedule for the 3C Building Control shared service (3CBC), to be introduced from 1 April 2016 is attached as **Appendix B4B**. It is based on rationalising upwards between previous authorities, without unreasonably increasing charges to customers, to be followed by a full review of service costs and charges on a genuine recovery basis, in Autumn 2016, with a view to revising in-year if necessary or from April 2017.

Proposed rationale

As a single business, 3CBC needs to operate a single fee schedule in order to provide clarity for customers, and to support the move to a streamlined business procedure.

The proposal is to move to a single fee structure in accordance with the principles of:

- ensuring that income does not decrease as a result (thus not reducing overall charges for any item in any one authority);
- limiting increases to the minimum necessary to achieve a single fee structure, in order to avoid unreasonably increases for customers;
- retaining a logical structure where works are charged approximately in accordance with time taken (a full review of real costs will be required during 2016-17).

Customer/commercial impact

Charge increases should have limited impact on customers. Increases vary in percentage terms – this is not a simple increase but regularisation. Most increases are 10% or below, on prices which have not been increased since 2010, however, some increases will impact in some areas more. There is a risk that increasing charges could lead to some customers considering looking at the option of using Approved Inspectors instead – who will, no doubt, increase their own charges to follow suit. Customers of Cambridge City Council (CCC) are aware charges will increase and potentially expecting steeper increases than currently proposed.

Customers attending the stakeholder forum on 25 January 2016 expressed no concern about proposed fee increases, but rather emphasised their desire to see the local authority service strengthened and developed, with charges at a realistic level to ensure that quality is maintained.

Methods of Calculation

Building Control fees should be charged on a cost recovery basis, according to legislation, and therefore there should be regular review of (a) the hourly rate charges for work done under quotation and (b) the fees set out in standard works schedules.

At present, all three Councils charge different rates, with some items charged on a consistent basis between CCC and SCDC.

It is not currently possible to calculate an exact cost recovery rate and therefore the proposed rates have been calculated by adopting the highest charge currently in place at any of the three authorities, except as follows:

- New dwellings (more than 10 dwellings) – propose to adopt the CCC rates to harmonise and allow for individual quotation on larger sites;
- Extensions, conversions and small buildings – here the proposal is to increase the plan fee to £150 in Huntingdonshire District Council (HDC) and CCC to regularise with SCDC, but to reduce the inspection fee where necessary in order that the total fee for any item of work is in line with the highest fee currently charged;
- Building Notices are charged as (plan + inspection) +10% +VAT.
- Regularisation charges will follow the SCDC charges which are set as Building Notice + 20% (no VAT – so same total payable).

The hourly rate to be adopted is that in use in CCC (£71 per hour).

Implementation Issues

Once the fee schedule has been approved, a single document will be produced for use by Building Control in advising customers (available on request), and a limited selection of fees will be published on the website. Guidance for staff will ensure consistent application of fees across the service, e.g. when calculating fees for multiple works.

The 3CBC implementation team is working to implement a single point of billing – to include at least telephone payments, ideally on-line payment as a future option. Payment-by-instalments will apply to schemes with works over £10,000 only to limit administration.

Legal status and future revisions

Legally, work should be charged at cost recovery - this means regular review of actual costs is required. Deliberately over charging could be challenged by competitors – hence proposal to limit increases.

3CBC will review costs once the service has moved to the new operating model of two teams and been collecting data for at least six months. It is intended to do this in November 2016, to inform fee setting for April 2017.

Approval of new fees

The new fees will have been approved under delegated powers at each authority.