



**FEES AND CHARGES REVIEW – FOLLOW UP  
REPORT OF DEPUTY CHIEF EXECUTIVE – CORPORATE DIRECTION**

**WARDS AFFECTED: ALL WARDS**

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1. PURPOSE OF REPORT

- 1.1 To provide, as requested, an update to the committee on those areas highlighted by internal audit in their fees and charges benchmarking report. It should be noted that approval of fees and charges is an Executive function.

2. RECOMMENDATION

- 2.1 That the committee consider the responses from officers regarding those areas highlighted by internal audit where the Council does not currently charge.
- 2.2 That in considering this information, the committee considers whether any of the charges should be referred to Executive and/or Scrutiny Commission for consideration.

3. BACKGROUND TO THE REPORT

- 3.1 As part of their 2014/2015, Internal Audit Plan, the Council's internal auditors (CW Audit Services) undertook a review of arrangements in relation to the setting of the Council's current fees and charges. As part of this review, CW Audit benchmarked current fees and charges against other Local Authorities to establish where they may be the potential to raise additional charges.

- 3.2 A copy of the final internal audit report is appended to this report for reference.

- 3.3 The internal audit report was review by Finance, Audit and Performance Committee at their meeting in August 2014. A follow up report was requested to provide more detail to the committee on those service areas where the Council does not currently charge but other in the benchmarking group do. These areas were identified as follows:

- Off Street Charges – Sundays
- Housing – Inspection of variation
- Housing – Variation of license details
- Housing – Variation to HMO License
- Pre application advice – domestic
- Pest control – domestic rats
- Garden bin replacement and collection
- General waste – bin replacement

- 3.4 Each of the areas above have been considered below:

<b>Area</b>	<b>Council's currently charging in Benchmarking group</b>	<b>HBBC Consideration</b>
Off street parking charges	<ul style="list-style-type: none"><li>• Boston</li><li>• City of Lincoln</li></ul>	Councils who make a charge for Sunday parking tend to have a larger retail offer. Sunday opening for

– Sundays	<ul style="list-style-type: none"> <li>• East Lindsey</li> </ul>	<p>retail units is still in its infancy in Hinckley and the introduction of a charge is likely to be challenged by the Town Centre Partnership / Hinckley BID. The risk of the impact on demand and trading in the town would have to be considered, along with the charging regime in the new Crescent development.</p> <p>If members wish to consider it then the charges which apply the rest of the week could be applied, or alternatively a fixed tariff all day e.g. 50p all day.</p>
Housing – Inspection of variation	<ul style="list-style-type: none"> <li>• City of Lincoln</li> <li>• Oadby and Wigston</li> </ul>	<p>Work is currently being performed in all cases to ensure that the fixed price charged for license applications is reflective of the actual cost of the service. There is an intention to introduce this from 2015/2016.</p>
Housing – Variation of license details	<ul style="list-style-type: none"> <li>• City of Lincoln</li> <li>• Oadby and Wigston</li> <li>• Rushcliffe</li> </ul>	<p>Whilst some Councils are charging for variations to licenses, a number of tribunals have considered that such a charge is potential unlawful and therefore this risk should be considered before implementing any charge.</p>
Housing – Variation to HMO License	<ul style="list-style-type: none"> <li>• Boston</li> <li>• City of Lincoln</li> <li>• Oadby and Wigston</li> <li>• Rushcliffe</li> </ul>	<p>Whilst some Councils are charging for variations to licenses, a number of tribunals have considered that such a charge is potential unlawful and therefore this risk should be considered before implementing any charge.</p>
Pre application advice – domestic	<ul style="list-style-type: none"> <li>• City of Lincoln</li> <li>• East Lindsey</li> <li>• Melton</li> <li>• Oadby and Wigston</li> <li>• North Kesteven</li> <li>• Rushcliffe</li> <li>• South Kesteven</li> <li>• West Lindsey</li> </ul>	<p>A review of the Council's pre-application charging schedule is currently underway with the intention of introducing a charge from 1<sup>st</sup> April 2015 (pending Executive approval) which strikes a balance between cost recovery, encouraging discussions and promoting regeneration. Currently Councils in the benchmarking group charge between £36 and £125 per application and it is envisaged that a “menu” of options will be provided.</p> <p>There are currently approximately 10 requests for pre-application advice per month. Based on the average cost across the benchmarking group (£73) this could generate £8,760 income for the Council per annum (assuming demand remains static). This calculation has been provided for indicative purposes as the actual cost of the service for the Council would need to be considered in setting a charge.</p>
Pest control – domestic rats	<ul style="list-style-type: none"> <li>• Blaby</li> <li>• Melton</li> <li>• Oadby and Wigston</li> <li>• North Kesteven (outsourced)</li> <li>• Rushcliffe</li> </ul>	<p>A trial charge for rat treatments was introduced in April 2006 at £30, which provoked considerable member and public concern and a drop of 42% in treatments carried out. The number of complaints to Environmental Health increased requiring additional investigations by pollution section officers as residents refused to pay and implicated other addresses. The free treatment was reinstated in July 2006. Executive consider charging for rats in Sept 2011 and agreed to continue the current policy.</p> <p>If a modest charge of £25 per treatment was introduced and assuming a drop of 40% in the number of treatments this would result in an income of approximately £6,125 per annum. If a higher charge of £50 was introduced and there was a 60% fall off in demand then income of £8,140 would be</p>

		<p>generated.</p> <p>Rat treatments at commercial premises are currently already charged at a “time and materials charge” (minimum of £69) and contracts are quoted on an individual basis. The Council has 23 annual commercial contracts which generate £9,620 per annum. Commercial companies also provide this service and the current. The Council currently uses one such organization when demand is high and they charge £34 per rat treatment carried out.</p>
Green Waste Collection	<ul style="list-style-type: none"> <li>• City of Lincoln</li> <li>• South Kesteven</li> <li>• West Lindsey</li> <li>• Blaby</li> <li>• Melton</li> <li>• Charnwood</li> <li>• East Lindsey</li> <li>• Ruscliffe</li> </ul>	<p>Detailed consideration has been given to charging for this service on a number of occasions by the Executive.</p> <p>In preparing this, the following scenarios have been provided acknowledging any associated impact on demand:</p> <ul style="list-style-type: none"> <li>• Scenario 1: £25 charge (£20 direct debit), 40% take up, income of £405,000. 29,462 properties would need to pay for the service to cover the total cost of the green waste collection service.</li> <li>• Scenario 2: £30 charge (£20 direct debit), 40% take up, income of £486,000. 22,681 properties would need to pay for the service to cover the total cost of the green waste collection service.</li> </ul> <p>There will be costs to administer payments / bin collections etc. There is potential to reduction the number of collection crews if take up is low.</p> <p><b>The withdrawal by Leicestershire County Council of recycling credits for green waste collections will result in a £320,000 reduction in funding for the green waste collection service from 2015/16. Should LCC remove recycling credits on dry recycling then this would result in a further £500,000 reduction in funding (a charge cannot be made to residents for dry recycling collections).</b></p>
General waste – bin replacement	<ul style="list-style-type: none"> <li>• Blaby</li> <li>• Boston</li> <li>• City of Lincoln</li> <li>• Melton</li> </ul>	<p>The current cost of a bin is £17 plus delivery. Approximately 2005 bins are estimated to be delivered annually, generating potential income of £34,085 (assuming constant demand).</p> <p>There are a number of risks associated with charging for bin replacement. By providing the bin free of charge the Council is able to control the amount of waste we collect (and therefore encourage recycling), provide secure storage of refuse thus keeping the environment clean, and to providing a safe collection system for our staff. There is a risk that charging for bins would mean an increase in litter and pollution, health and safety issues for staff</p>

		and increased pressure on customer services in administering complaints and queries. It should also be noted that legal advice should be taken in introducing this charge to ensure that statutory responsibilities are met.
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4. FINANCIAL IMPLICATIONS [KP]

4.1 Provided in the body of the report.

5. LEGAL IMPLICATIONS [EH]

5.1 Some preliminary advice on the potential charges is given below, however it should be noted that prior to any final decision being made on each individual charge the full legal implications in relation that area should be considered.

5.2 Amendment to parking charges would need to be made via the Parking Order. This is currently under review with a view to a new parking order being produced. Until they are brought in to effect through the order (or a variation to an order) the charges are not able to be levied. It should also be noted that, in relation to the Town Centre, there is provision in the draft contract for the Management Fee of the Leisure Centre to be adjusted should parking charges increase or change so as to affect the income to the leisure centre.

5.3 In relation to the charging for waste receptacles this is permitted under the Environmental Protection Act 1990. Section 46 states that the local authority can define the kind, number and sizes of waste receptacles. The local authority has the option to provide the receptacles free of charge, propose a single payment or periodical payments for such receptacles or require the occupier to provide them.

5.4 In relation to the proposed charges in relation to housing and HMOs s63 of the Housing Act 2004 allows a charge for a licence to be imposed, however challenges have been successfully brought against charges for variations. This would need further consideration prior to any charges being agreed as it is may be that Council does not have the authority to impose such charges.

5.5 Were any charges to be formally proposed there would need to be a consideration of the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 which would apply to some of these services and charges. This regulates the right to cancel and receive refunds and the Council is bound by these regulations.

6. CORPORATE PLAN IMPLICATIONS

Providing value for money and pro-active services

7. CONSULTATION

No direct consultation has taken place on the contents of this report as it is for noting.

8. RISK IMPLICATIONS

8.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

8.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the

information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

- 8.3 The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
Generation of fees and charges provides income to the Council and therefore allows the objectives contained within the Medium Term Financial Strategy to be met.	Ongoing budget monitoring of level of income and an annual review of fees and charges.	Sanjiv Kohli

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

- 9.1 Appropriate discretionary reliefs for relevant groups are considered as part of the fees and charges process.

10. CORPORATE IMPLICATIONS

- 10.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Human Resources implications
- Planning Implications
- Voluntary Sector

Background papers: Internal Audit Report  
Fees and Charges booklet

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