

Committee:	Executive	Agenda Item No.:	16
Date:	26th January 2009	Status	Open
Category	3. Part of the Budget and Policy Framework		
Subject:	Fees and Charges 2009/10		
Report by:	Head of Finance		
Other Officers Involved			
Director	Director of Resources		
Relevant Portfolio Holder	Corporate Efficiency		

RELEVANT CORPORATE AIMS

STRATEGIC ORGANISATIONAL DEVELOPMENT – to continually improve the efficiency and effectiveness of all Council Services by maximising the potential use of Council resources.

TARGETS

The development of Policy Led Budgeting will help to inform future spending plans and assist in the delivery of the efficiency gain targets.

VALUE FOR MONEY

The Budget Process challenges existing spending levels and new spending proposals to ensure that resources are effectively used and directed towards the delivery of the Corporate Aims.

THE REPORT

- 1.1 This report sets out the proposed increases in General Fund Fees and Charges for 2009/10.

ISSUES/OPTIONS FOR CONSIDERATION

- 2.1 Heads of Service have been asked to review their Fees and Charges for 2009/10. The results of the review are shown in Appendix A. Specific comments on highlighted areas analysed between departments are shown below.

2.2 Regeneration

2.2.1 Restaurant

- ◆ Members are currently reviewing the restaurant charging policy through the Best Value Review of Discretionary Services. An increase of 5% in income has been included until the outcome of the review is known.

2.3 Environmental Health

2.3.1 Trade Refuse, Cesspool/Septic Tank Fees and Bulky Refuse

- ◆ The proposed charges for trade refuse and emptying of cesspools and septic tanks have been set after taking into account the costs of the service.
- ◆ The income in respect of these services will be increased by £7,600.
- ◆ The bulky refuse charging policy has been reviewed as part of the Best Value Review of Discretionary Services (Appendix B). The following charging policy is proposed:

General Bulkies

- 1 – 3 items £10
- 4 – 6 items £15
- 7 – 9 items £20
- 10+ items quote with minimum £30 charge

Waste Electrical & Electronic Equipment (WEEE)

- 1 item £10
- 2 items £15
- 3 items £20
- 4 items £25
- 5 items £30

- ◆ It is anticipated that this will generate income of approximately £150,000. Most of the income will be used to cover the extra costs of providing the service.

2.3.2 Markets

- ◆ There are no proposed increases in the charges for market stalls.
- ◆ Over the past few years the market stalls income has dropped through a lower demand. This has now levelled off.

2.3.3 Pest Control and Animal Welfare

- ◆ It is proposed that the service charges are increased by 5%.
- ◆ Because demand for this service fluctuates the total income has been maintained at the same level as 2008/09.

2.3.4 Car Parks

- ◆ It is proposed that there will be no charges for car-parking in the District.

2.4 Leisure Services

- ◆ It is proposed that all leisure fees and charges are increased by 3%.
- ◆ This will increase leisure centre income by £25,220.
- ◆ The increased income includes a grant from the Department of Culture Media and Sports to cover income lost from introducing free swimming.
- ◆ Insurance payments for business interruption should mean there will be no loss of income from Kissinggate Leisure Centre.

OTHER RELEVANT INFORMATION

3.1 The following information is relevant for budget purposes but does not require a decision on the level of fees and charges.

3.2 Regeneration

3.2.1 Pleasley Vale

- ◆ The total budgeted income in 2009/10 is expected to be £62,400 less than the 2008/09 budgeted income.
- ◆ This is based on figures provided by Innes England on current occupancy. A 10% vacancy factor has been included.
- ◆ The leases to tenants are of varying lengths. On renewal Innes England, on behalf of the Council, negotiate the best deal based on market conditions.

3.2.2 Premises development

- ◆ In previous years there has been a steady disposal of assets and the income has been reduced accordingly. As a result income has not been increased in 2009/10.

3.3 Legal Services

3.3.1 Land Charges

- ◆ Legislation requires fees to be set to at least cover expenditure over a 3 year period. Competition from the private sector is increasing and causing income to fall. These factors will need to be taken into account when setting the 2009/10 land charge search fees.

3.3.2 Licensing

- ◆ Most of the fee income derived from Licensing is set by statute.
- ◆ It is not anticipated that there will be any increase in demand for licences in 2009/10 consequently income has been kept at the same level.

3.4 Planning

3.4.1 Development Control

- ◆ The Government increased the cost of Planning Fees in April 2008. Planning fee income has been reduced however, to reflect the current economic downturn. The total budgeted income in 2009/10 is expected to be £60,500 less than the 2008/09 budgeted income.

3.5 Environmental Health

3.5.1 Pollution Control

- ◆ The Government are currently consulting on the statutory Pollution Control Fees and it is expected that there will be an increase in fees for 09/10.
- ◆ As the fees are set in statute and we have no way of knowing whether any new businesses will apply the budget has not been increased.
- ◆ It is anticipated there will be £5,500 extra income in 2008/09.

3.5.2 Dog Control

- ◆ There are no proposed increases in charges. The kennelling charges are set to recover the costs. The release fee and the fixed penalty fees for dog fouling are set in statute.

IMPLICATIONS

Financial: The proposed changes result in an increase in budgeted gross income of £121,520 compared to the 2008/09 original.

Legal: None

Human Resources: None

RECOMMENDATION(S)

1. That the proposed fees and charges for 2009/10 be agreed and recommended to Council.
2. That the other information relating to income is noted.
3. That no charges be levied for domestic drain-rodding services or for car parking.
4. That the charges outlined in paragraph 2.3.1 are introduced for the collection of bulky waste.

REASON FOR DECISION

To set the level of Fees and Charges for 2009/10

ATTACHMENTS: **N**
FILE REFERENCE: None
SOURCE DOCUMENT: Background papers held in Financial Services

General Fund Fees and Charges Estimates 2008 – 2012

APPENDIX A

Service		Statutory Fees	Actual	Actual	Actual	Original Budget	Estimated	Original Budget	Forecast	Forecast
			2005/06 £'s	2006/07 £'s	2007/08 £'s	2008/09 £'s	2008/09 £'s	2009/10 £'s	2010/11 £'s	2011/12 £'s
Premises Development – Rents	Regeneration	N	(51,840)	(49,705)	(37,543)	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)
Pleasley Vale Electricity	Regeneration	N	(147,937)	(164,902)	(140,559)	(125,000)	(120,000)	(201,680)	(209,140)	(216,890)
Recharges	Regeneration	N	(608,709)	(449,849)	(429,262)	(465,000)	(389,180)	(402,600)	(402,600)	(402,600)
Pleasley Vale Rents	Regeneration	N	(49,054)	(45,831)	(50,067)	(47,500)	(47,500)	(49,920)	(52,520)	(55,250)
Restaurant	Regeneration	N	(26,341)	(28,505)	(22,634)	(29,140)	(29,140)	(30,010)	(30,910)	(31,840)
Cesspools	Env Health	N	(162,500)	(152,040)	(217,958)	(165,000)	(165,000)	(165,000)	(165,000)	(165,000)
Recycling Materials	Env Health	N	(207,050)	(211,615)	(228,554)	(224,510)	(224,510)	(231,240)	(238,180)	(245,320)
Trade Refuse	Env Health	N	0	0	0	0	0	(150,000)	(150,000)	(150,000)
Bulky Refuse	Env Health	N	(15,556)	(19,259)	(17,041)	(14,000)	(14,000)	(14,000)	(14,000)	(14,000)
Pollution Reduction	Env Health	Y	(2,940)	(2,948)	(2,523)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
Dog Control	Env Health	Part	(1,949)	(1,986)	(2,337)	(1,950)	(1,950)	(1,950)	(1,950)	(1,950)
Licences – Animals	Env Health	Y	(4,487)	(5,833)	(6,147)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)
Pest Control	Env Health	N	(197,433)	(179,593)	(164,329)	(170,000)	(170,000)	(170,000)	(170,000)	(170,000)
Markets	Env Health	N	(400)	(400)	0	(400)	(400)	(400)	(400)	(400)
Street Trading	Env Health	Y	(207)	(252)	(270)	(150)	(250)	(250)	(250)	(250)
Public Conveniences	Env Health	N	(56,348)	(63,262)	(63,156)	(59,190)	(65,060)	(65,060)	(65,060)	(65,060)
DCC Agency	Env Health	N	(6,266)	(6,359)	(8,400)	(6,500)	(11,000)	(11,000)	(11,000)	(11,000)
Licences - Drivers Applications	Legal	Y	(2,590)	(2,969)	(3,905)	(1,600)	(3,500)	(3,500)	(3,500)	(3,500)
Licences - Operators Licences	Legal	Y	(7,412)	(6,845)	(11,603)	(6,000)	(14,430)	(14,430)	(14,430)	(14,430)
Licences – Vehicle	Legal	Y	(4,850)	(6,025)	(4,564)	(4,500)	(5,260)	(5,260)	(5,260)	(5,260)
Licences - Hackney Vehicles	Legal	Y	(1,870)	(2,112)	(3,600)	(1,600)	(3,500)	(3,500)	(3,500)	(3,500)
Licences - Crim. Records Bureau	Legal	Y	(1,610)	(1,575)	(1,311)	(1,300)	(1,300)	(1,300)	(1,300)	(1,300)
Licences – Lotteries	Legal	Y	(160)	(1,738)	(1,476)	(1,300)	(1,300)	(1,300)	(1,300)	(1,300)
Licences - Gaming Machines	Legal	Y	(13,950)	(3,914)	(2,310)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)
Liquor Licensing - Personal	Legal	Y	(53,618)	(44,972)	(44,558)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
Liquor Licensing - Premises	Legal	Y	0	0	(8,060)	(3,500)	(5,500)	(5,500)	(5,500)	(5,500)
Gambling Act	Legal	Y								

General Fund Fees and Charges Estimates 2008 – 2012

APPENDIX A

Service		Statutory Fees	Actual 2005/06 £'s	Actual 2006/07 £'s	Actual 2007/08 £'s	Original Budget 2008/09 £'s	Estimated Outturn 2008/09 £'s	Original Budget 2009/10 £'s	Forecast 2010/11 £'s	Forecast 2011/12 £'s
Land Charges	Legal	N	(144,569)	(149,957)	(124,272)	(146,160)	(73,000)	(73,000)	(73,000)	(73,000)
Outdoor Sports & Recreation Facilities	Leisure	N	(15,414)	(16,727)	(14,510)	(15,660)	(15,660)	(15,660)	(15,660)	(15,660)
Creswell Leisure Centre	Leisure	N	(184,263)	(157,991)	(139,067)	(183,420)	(214,920)	(204,240)	(209,940)	(215,820)
Energised Youth Programme	Leisure	N	(92,573)	(126,127)	(119,360)	(91,550)	(114,550)	(109,550)	(109,550)	(109,550)
GO Football	Leisure	N	(18,272)	(18,623)	(15,563)	(18,100)	(18,100)	(30,100)	(33,100)	(34,100)
Community Sports Coach Scheme	Leisure	N	(2,479)	(4,984)	(1,433)	(2,100)	(2,100)	(2,100)	(2,100)	(2,100)
Kissinggate Leisure Centre	Leisure	N	(137,372)	(137,015)	(149,407)	(153,600)	(132,980)	(158,200)	(162,940)	(167,840)
Parks, Playgrounds & Open Spaces	Leisure	N	(4,956)	(2,429)	(4,132)	(3,810)	(3,810)	(3,810)	(3,810)	(3,810)
Developmt Control - Planning Fees	Planning	Y	(325,348)	(579,235)	(381,274)	(500,000)	(389,500)	(439,500)	(489,500)	(489,500)
Ord. Survey Map Extract Scheme	Planning	N	(2,169)	(2,918)	0	0	0	0	0	0
Town Centre Housing	Housing	N	(16,854)	(18,296)	(15,010)	(18,000)	(18,000)	(18,000)	(18,000)	(18,000)
			(2,569,346)	(2,666,791)	(2,436,195)	(2,550,040)	(2,344,900)	(2,671,560)	(2,752,900)	(2,783,230)

Purpose of Report

The authority is one of only a handful of councils who provide a free and unlimited bulky refuse collection to all domestic properties within its area. However, the level of demand has now outstripped the resources available and is adversely affecting the Council's performance in waste and recycling.

Officers feel that the introduction of a modest charge for bulky household collections is necessary to bring demand for the service in line with the resources available and also to reduce the negative effect this additional waste is having on the Authority's overall waste management performance.

Background Information

The authority has a statutory duty to collect household waste. The Environmental Protection Act 1990 outlines what household waste we must collect for free and where an 'at cost' charge can be made. Essentially items above 25kg or which do not fit in to a 'suitable container' (read wheelie bin) can have a charge levied.

Some discretion can be used as to what is collected e.g. cosmetic replacement of an entire fence would not be collected whilst a storm damaged fence would. However, delivery via the Contact Centre has removed some elements of discretion due to the need for constancy and to make the process CRM enabled.

The service was enhanced some years ago by the introduction of an appointments system. The service provides that the items are collected within 10 working days from the customer's request.

The authority has historically taken the option to provide the collection service for free; it is possible that the absence of a local civic amenity site has contributed to this decision.

Current Service Position

Demand for the service has risen exponentially in recent years (see Appendix A). Currently 21,000 collections are made per year, involving 2000 tonnes of waste, the average number of items picked up per collection is 3.

The service also supports house clearances for the Housing Department and less frequently for deceased private individuals at a cost of around £110. The service operates in excess of capacity and requires overtime to make all collections.

Demand for the service is having a significant impact on the amount of waste collected by the council which is excessive and deemed worst quartile. This equally has a negative effect on the council's recycling performance, again

worst quartile, as the authority must collect proportionately more recycling than those LA's which collect less waste overall. In addition the authority must improve its recycling rate from 25% to 40% of overall tonnage within the next 3 or 4 years.

Issues for consideration

Waste Electrical Electronic Equipment (WEEE) Directive

The dissemination of information concerning disposal of small electrical items from manufacturers of WEEE may increase requests from customers for the removal of small electrical items such as toasters or kettles which had previously been disposed of in the normal waste.

Alternative provision

The local authority has a statutory obligation to provide a service; this could be provided by an external contractor. Given that Bolsover has top quartile performance for the net cost of the overall refuse collection service it is doubtful whether an external agent could provide the service cheaper to the council or with out charging higher prices to customers.

The district's dispersed rural area has prevented private sector involvement in recycling activities since they cannot get economies of scale due to low population densities.

The collection service must be 'at cost' and therefore cannot operate 'at profit'.

Financial

The overall cost of the service is £174,800 (see Appendix B for breakdown).

As a statutory service it is difficult to reduce the overall costs as overheads such as vehicle and staff still needs to be paid regardless of demand.

Other local authority data suggests that when charges are introduced demand for the service drops initially by 80%, then levels to about 60% after about a year.

Given this premise, if a charge were to be introduced it should cover the cost of existing overheads (approximately £130k) and an as yet unquantified increase in administrative cost for the collection of fees. (see Appendix C for proposed charging structure).

Whilst discussing cost it is also relevant to mention the current lack of funding for the council's green bin collection which costs in the region of £227k and presently has no budget allocated to it. It could be argued that charging for bulky refuse is a necessity to fund the green bin scheme, which in turn will defer a decision on the commencement of alternate weekly bin collections.

Fly tipping

There is a perception that charging for bulky collections would result in increased fly-tipping/untidy gardens – this is not proven and is mitigated by the assumption that people will use the new Household Waste Recycling Centre or pay a small charge rather than become criminals

Discrimination

The authority has the option to offer concessions. In addition, the authority has never offered a service to collect bulky goods from within the home which suggests people are able to obtain assistance to move goods around.

Alternatives for Disposal

The Household Waste Recycling Centre in Bolsover opened earlier this year giving residents the option of disposing of bulky waste themselves. However, there is no direct provision in the south of the district, Nottinghamshire County Council does not allow cross border use of its Household Waste Recycling Centres

Job Loss

Should demand for the service be reduced significantly one or two jobs may be jeopardised, however turn-over and age profile of workforce would mean natural wastage rather than redundancy could be used.

Government Intervention

Bolsover remains in worst quartile for amount of waste collected and amount of waste recycled. Reducing demand for the bulky waste service is seen as key to improving performance indicators.

Joint Working

North East Derbyshire District Council have recently shown an interest on joint working in Waste collection and would be interested in buying spare capacity from Bolsover in respect of house clearances and bulky collections. This would only be possible upon the introduction of charges.

Level of Charge & Method of Payment

The charge must be of sufficient gravity to make people think about the best use of the service (i.e. wait until sufficient items require removal before using the service, or take items to the Household Waste Recycling Centre themselves) but still small enough to be affordable to the average resident.

Small amounts would be neither cost effective to invoice nor recover if in default. Users of the service must be charged up front at the time of appointment. It is proposed that payments would be made via debit card at

the time of booking or by cash at the Contact Centres. If concessions are to be made they must be based on receipt of either Council Tax or Housing Benefit as these can be verified by Council staff at the time of booking.

Other local authorities within Derbyshire offer a range of charging models. Some have relatively low first item rates whilst others opt for a higher initial charge which gets relatively cheaper as the amount of items increase. Most charge in bands for items e.g. 1 to 3 items, 4 to 6 etc as opposed to price per item.

A handful of authorities offer concessions for those people on benefit either by way of 50% discount or 1 free collection. Other authorities charge different rates for white goods as opposed to other types of bulky waste.

Some examples of other schemes are;

Authority	1st Band	2nd Band	3rd Band	Concessions
Amber Valley	£15 up to 3 items	£25 4 – 6 items	Quote	50%
Chesterfield	£10.00 single item	£15 2 – 5 items	£20 6 – 10 items	50%
Derby City	£9.50 for 1 item (4 sacks = 1 item)	£14.50 2 – 5 items	£21.00 6 – 15 items (15 items max)	None
Derbyshire Dales	£14 up to 3 items (3 sacks = 1 item)	£24 4 – 6 items	Quote	1 free/annum (disabled/OAP)
Erewash	£21 up to 6 items	Multiples of £21		Discretionary
High Peak	£10 up to 5 items (1 sack = 1 item)	£2/item over and above 5 subject to £20 max	Quote	50%
North East	£10 for 1 item (2 sacks = 1 item)	£15.00 2 – 5 items	£20 6 – 10 items	50%

Publicity

The introduction of charges will need to be publicised well in advance and in a way that best explains the Councils position in reluctantly going down this route, there is no doubt that continuing with collections of high levels of waste will leave the authority in the worst quartile of performance. The high customer satisfaction with the way the bulky service performs should be a selling point in promoting the need to introduce charges. If demand continues to increase with no increase resource this high level of service is bound to deteriorate.

IMPLICATIONS

Financial: As indicated in Appendix C

Legal: None

Human Resources: None

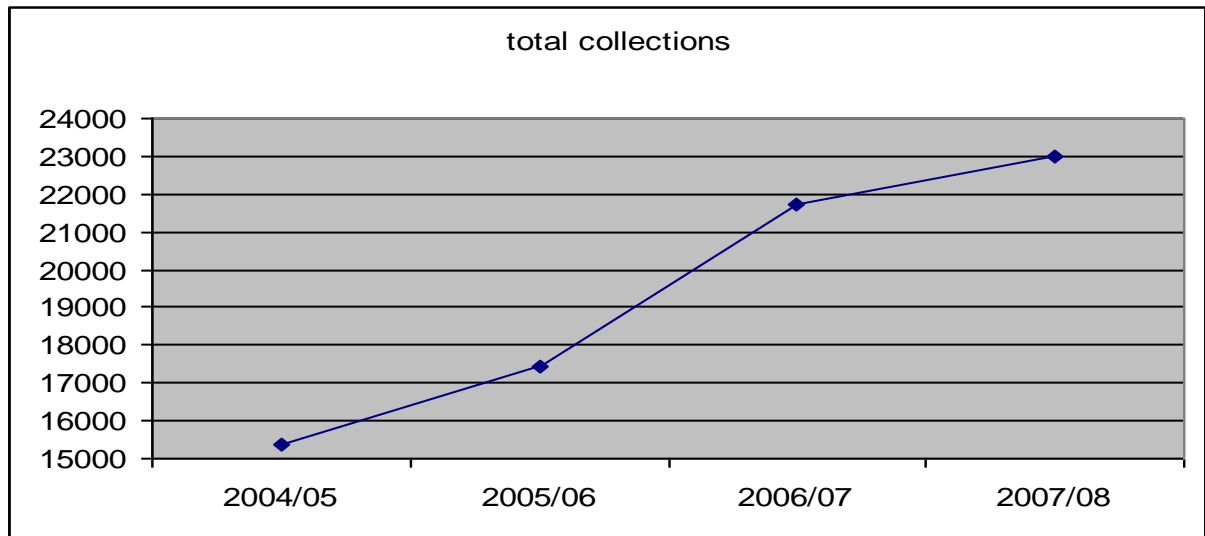
RECOMMENDATION(S) that

- 1) charges are introduced for the collection of bulky waste,**
- 2) the level of charge is advised by members,**
- 3) efficiencies gained by the introduction of charges is used to enhance and improve waste service in respect of recycling.**

ATTACHMENTS: Y

FILE REFERENCE:

SOURCE DOCUMENT:

DEMAND for BULKY COLLECTIONS

The graph shows how demand for bulky collections has increased since the removal of the Saturday Civics

Projected demand for the 2007/08 period shows a less rapid increase in demand than previous years due to the introduction of the green bin collection scheme (previously large amounts of garden waste were removed via the bulky collection service). Regardless even with garden waste removed from the equation disposal of large household objects is still on the increase.

COST OF SERVICE

Vehicle Costings - Annual Running Costs			
Registration Number	VX04 FXJ	Registration Number	FJ51 JVF
Type	18 Ton RCV	Type	7.5 ton caged tipper
<u>Running Costs</u>	£	<u>Running Costs</u>	£
Fuel	11,598.00	Fuel	13295.00
Tyres	2,240.00	Tyres	851.80
Repairs - Service Only	4,124.16	Repairs - Service Only	2080.00
Body Repairs	856.14	Body Repairs (Tail lift repairs - LOLER)	350.00
Sub-Total	18,818.30	Sub-Total	16576.80
<u>Standing Costs</u>	£	<u>Standing Costs</u>	£
Annual Leasing	15,696.43	Annual Leasing	4303.16
VED	650.00	VED	105.00
Insurance	600.00	Insurance	600.00
Annual Test	48.00	Annual Test	48.00
Sub-Total	16,994.43	Sub-Total	5056.16
Total Annual Running Costs	35,812.73	Total Annual Running Costs	21632.96
Operatives			
1 x LGV driver	26,141.00		
1 x loader	23,517.00		
1 x Driver/loader	24,680.00		
overtime	43,000.00		
Total workforce costs	117,338.00		
Total cost	174,783.69		

The first significant reduction in cost the Council can make is the removal of the overtime allowance required to ensure all allocated appointment times are met.

Two different types of vehicle are required to carry out the bulky service, one for large general items and one for white goods. Overall trend would need to be examined post charging in order to ascertain whether the service could be

cut back to one vehicle or be crewed differently. It is apparent however that various wear and tear and fuel cost would diminish if the number of collections fell.

Appendix C

PROPOSED CHARGING STRUCTURE

General Bulkies

- 1 – 3 items £10
- 4 – 6 items £15
- 7 – 9 items £20
- 10+ items quote with minimum £30 charge

Waste Electrical & Electronic Equipment (WEEE)

- 1 item £10
- 2 items £15
- 3 items £20
- 4 items £25
- 5 items £30

PROPOSED INCOME

summary of potential income	
60% reduction in requests £10 charge no concessions	£178,174
60% reduction in requests £10 charge 50% concessions	£150,625
60% reduction in requests £5 charge no concessions	£127,266
60% reduction in requests £5 charge 50% concessions	£109,904
80% reduction in requests £10 charge no concessions	£109,313
80% reduction in requests £10 charge 50% concessions	£95,551
80% reduction in requests £5 charge no concessions	£85,130
80% reduction in requests £5 charge 50% concessions	£76,204

Analysis and discussion with other Authorities suggest that a nominal initial charge for 1 item is counter productive in terms of it does not necessarily curb demand and residents still treat the service as an 'on demand' one. i.e. it is conceivable that residents will opt to pay £5 each time they require an item removing as opposed to storing it, offering it to a friend or putting it in their car and driving to the civic amenity site.

A slightly higher charge for a number of items both limits demand and entices residents to save up items before calling out the service e.g. £10/3 items (not particularly attractive to call the service to remove one item but worth waiting until 3 are ready which may take several months to achieve)

As stated demand for the service initially drops by 80% and then levels at 60% hence the various percentage breakdowns of income above.

Given the assumed need to create a fairly reasonable opening charge for the service and the need to cover £130k overhead costs plus increased administration, it would appear that a £10 for 1 to 3 items is the ideal for the authority. This tariff also creates enough headway to allow the authority to offer concessions to those people on Housing or Council Tax benefit (these being the only benefits that authority can check at time of booking).