

<b>Item No.</b>	<b>Classification</b> Open	<b>Date:</b> 6 January 2014	<b>Decision Maker:</b> Cabinet Member for Transport, Environment & Recycling
<b>Report title:</b>		Public Realm Fees and Charges 2014/15	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Strategic Director of Environment & Leisure	

## RECOMMENDATIONS

1. That the Cabinet Member agrees the proposed non-statutory fees and notes the statutory fees and charges for 2014/15, with an implementation date of 1 April 2014.
2. That the Cabinet Member notes that due to efficiencies in the new Parking Contract and the proposed implementation of virtual permits it is possible for all charges for off- street and on-street parking to be frozen for the third year running.
3. That the Cabinet Member notes that the new Parking contract also allows for a more flexible permit regime of short stay visitor permits available to residents.

## BACKGROUND INFORMATION

4. This report sets out proposals for the fees and charges for Public Realm Division services for 2014/15.
5. The Medium Term Resources Strategy (MTRS) 2011/12 – 2013/14 and the corporate income policy require that:
  - Fees and Charge are increased to a level, at a minimum, that is equal to the most appropriate London average (e.g. inner London, family, groupings etc) except where this conflicts with council policy, would lead to adverse revenue implications or would impact adversely on vulnerable clients
  - Income generation is maximised by seeking income streams in line with council policies and priorities.
  - All fees and charges capped by statute are increased to the maximum level the cap allows.
6. Only where it can be demonstrated that adverse financial implications might arise or where increases are not considered realistic due to demand and local circumstances, can fees or charges increases be set at a lower level than that set by the MTRS.
7. The council's constitution requires that all fees and charges increases are agreed by the relevant Cabinet Member through an Individual Decision Maker (IDM) report. An IDM report is also required where no increase or a reduction in fees and charges is proposed.

## **KEY ISSUES FOR CONSIDERATION**

8. Fees and charges are those charges where there is a schedule of rates for services provided. There are various types, namely mandatory and discretionary i.e. where the Authority must charge or where there is a choice of charging or not. Whether mandatory or discretionary, the charges will be either:
  - Fixed – where the level of charges is set by statute and the Authority has no discretion.
  - Capped - where a maximum level is set, generally by statute and so charges cannot be set above this level, or where fees have to be set at a level only relating to the costs incurred by the Council in delivering the relevant service, or
  - Flexible – where there is full discretion on the level of charges to be set
9. Where the Authority has a choice about charging, any decision not to charge must be agreed by the relevant Cabinet Member. This is to be reviewed annually and considered within the context of the overall budget position.
10. This report only seeks approval for fees and charges for which there is discretion or where fees are capped, although, all fees and charges are included in the Appendices for information.
11. In arriving at the proposed fees and charge levels, consideration has been given to a number of factors, including; volume assumptions, benchmarking data, market forces and sensitivity i.e. the impact that increases will have on its customers' ability to pay and the take-up of services. Another factor taken into account is that, whilst Southwark may have discretion over the level of fees set, in many cases, this is on a cost recovery basis or must have due regard to the cost of service and be reasonable. The cost of service provision has therefore, also been a consideration in arriving at the proposed fees.
12. Most fees and charges are to be increased in accordance with the MTRS to the inner London Average and where this does not apply a specific business reason is set out in the attached schedules.
13. Table 1 below details the total income expected to be generated from non-statutory fees and charges. A full list of non-statutory fees and charges to be approved are shown in Appendices 1 to 6. Appendices 1 and 2 also show statutory fees and charges, which is provided for information.

### **Parking Services (Appendix 1)**

#### **Paid for parking**

14. It is proposed that the charges for both on street and off street parking be frozen for the third year running at 2011/12 levels and that the Council will continue not to charge at weekends and after 6.30pm on week days in all its car parks. While this means that the Council's off street parking charges are below the comparable London average (Appendix 7) it supports the Council's objectives of supporting the local economy and encourage thriving town centres and high streets.

## **Parking Permits**

### Residential permits

#### Price freeze

15. It is proposed that the cost of all residential parking permits be frozen at current prices ( a reduction in real terms). This means that residential permits prices have been pegged since 2011.

#### New short stay visitor permits

16. It is also proposed to introduce new five hour and one hour resident's visitors' permits. These will come available only once virtual permitting has commenced, although they will also be available in scratch card format. It is however proposed that there should be a discount for the virtual use of these permits. It is proposed that these 5 hour vouchers will be available at exactly half the rate of the current day resident's visitors parking permits rate, a book of ten five hour permits will cost £22.50; with ten virtual sessions costing £20.00. A book of ten one-hour permits costing £12.50 with ten one-hour virtual permits costing £10.00 less than 50% of the current pay and display prices.

#### Discount for Blue badge holders

17. To recognise that people with disability can be more dependent on their vehicle it is proposed that Blue Badge holders will receive a 75% discount when purchasing a Resident's parking permit. This will compliment recently introduced discounts for visitor's parking permits for Blue Badge holders.

### Permits for Commercial Organisations

18. The council currently offers a range of permits to business & occupational related services, namely:

- Local businesses
- Doctors and medical staff
- Markets and Street Traders
- Professional Child Carers
- Car clubs

19. It is proposed that these permit prices remain frozen at 2012/13 prices.

### Suspensions

20. Fees for the suspension of the parking bays are to be frozen at 2013/14 prices as they are already at the inner London average for this service.

### Mandatory fees

21. There have been no changes proposed to mandatory fees this year. These are reviewed on a four year cycle.

## **Road Network Management (Appendix 2)**

### **Street Works Permit Fees (London Wide Permit Scheme)**

22. The Council became a permitting authority for the purposes of road works and the Common London Permit Scheme (LoPS) on 5th September 2011. As an inner London Borough the costs are at the top of the range for a permitting authority. The fees are currently set to the maximum level permitted within the Code of Practice and hence no changes are proposed for 2014/15.

### **Street Works Fines and Charges**

23. Fees for a range of inspections and fines for street works are set out in appendix 2. These fees are all set by the Department for transport (DfT) and fees under section 74 for overrunning works were amended in October 2012.
24. The current fee is based on realistic costs of provision of the service and this includes reasonable advertising costs and therefore no amendment is proposed.

### **Filming Permits**

25. The cost of permits to film on the highway was increased last financial year and are in line with the work load required and so no further increase is proposed.

### **Fixed Penalty Charges**

26. The Highways Act 1980 and the London Local Authorities Act 2003 make provision for the issue of the Fixed Penalty Notice fees for a number of offences. The current fee is £120, with a reduced fee of £80 is paid within 29 days. The fee is mandatory and is set by London Councils. It was due to be reviewed in 2011/12, but this has yet to be completed. As such it is possible that this may change during the financial year.

### **Scaffolds and Hoardings around larger developments**

27. The current charges for hoarding and scaffold licences provides an increase charge for over 10 metres in length of either structure to cover additional costs of reviewing and monitoring of larger sites. However, this still falls short of the work load required for the much larger development sites and therefore an amended charge of £500 per month is proposed to be introduced for hoardings and scaffoldings of 50 metres or more.

### **Skips & material Licenses**

28. No changes are proposed for the remainder of highways licences as it is felt that they are reflective of the current work required in processing and monitoring.

### **Stopping up of a highway**

29. The fee for the Stopping up of a highway associated with planning application under section 247 of the Town and Country Planning Act is being held at £4,500 as it is reflective of the current work load associated with the process.

### Cost & Estimate based charges

30. There are a range of areas where charges have to be calculated on a project or case by case basis. These are highlighted in the schedule and include:
  - Recovery of costs to either repair or make safe dangerous footways and carriageways, where a third party has caused the damage.
  - Current arrangement for charging of Section 38 and Section 278 to developers is based on estimated cost recovery for each proposal.
31. Payment of a capital sum by a developer as a contribution towards future maintenance of “non-standard” and “extra over” features in developments to be adopted, or transferred as part of a Section 278 and/or Section 38 Agreement, known as Highways Commuted Sums.

### **Street Trading and Markets (Appendix 3)**

32. Street Markets fees and charges were last set in April 2013 and there were no increases in fees and charges in 2013/14 other than fees for specific pitches, with decreases for additional and casual pitches that resulted in a overall nil increase for this current financial year. Benchmarking has shown that fees and charges are generally being frozen or curtailed to inflation in the majority of London Boroughs for 2014/15 to support traders during this continuing difficult economic climate.
33. To continue the support for the local economy and encourage thriving town centres and high streets it is recommended that Southwark freezes its charges for next financial year 2014/15.
34. Keeping fees frozen for a further year will also assist in improving on occupancy levels and prevent traders from leaving the market. The proposals set in this report are expected to result in a small surplus position in the Street trading account for 2014/15.
35. The fees and charges tariff layout reflects the changes to the legislative framework for Markets operated under the Food Act 1984, and those smaller sites that will continue to be governed by the 1990 London Local Authorities Act as amended.

### **Sports Pitches (Appendix 4)**

36. In line with the Council’s health and wellbeing objective to encourage increased participation in sports and physical activity, the proposed fees and charges are already in line with the inner London average and as such it is proposed not to increase them from 2013/14 levels. It is also proposed to harmonise the fees for tennis for both Tanner St. and Burgess Park.

## **Cemeteries and Crematoria (Appendix 5)**

37. A variation to the 2013/14 Public Realm fees and charges was agreed in October 2013 which allowed the sale of pre-purchased graves and of full memorial graves where these are available.
38. Benchmarking of cemetery fees this year indicates that most of the Cemeteries and Crematorium fees are in line with the inner London average. It is proposed that fees will be frozen at 2013/14 levels.

## **South Dock Marina (SDM) (Appendix 6)**

The marina fees fall in to one of two types:

39. **Compulsory fees:** These are the fees the boat owner has to pay to remain a berth holder in the marina.
40. **Optional fees:** These are fees for services provided to both berth holders and external customers. The berth holder has the option of taking his boat elsewhere for these services although it is not necessarily practical to do so.

### **Recommendations:**

Compulsory fees.

41. **Annual berthing:** The marina derives the bulk of its income from annual residential and leisure berths and this is the most contentious of the fees. Between 2009 and 2013 there have been continuous increases to bring the marina into a more competitive position. However, in order to support the local economy, it is proposed that these fees are frozen at 2013/14.
42. **Electricity service charge.** This applies to all berth holders who are residential. The refurbishment of the marina utility services will include the addition of a monitoring service charge of £0.67 per meter per day. We propose to increase fees by 10% to offset this with the balance of this increase coming from manpower savings in not having to manually read meters.
43. It is proposed not to increase any fee on resale of electricity capped by OFGEM.

Optional fees

44. **Visitor berthing:** We have had a busy visitor year and officers are of the view that fees can withstand a more robust increase than annual fees to bring the marina closer to other visitor fees in London. It is proposed that these fees are increased by 10% which would still mean that visitor berths remain competitively priced compared to other central London berths.
45. **Boatyard trailer and container storage.** This is a unique facility in the area and can withstand an increase above inflation. It is recommended that these fees are increased by 5%.
46. **Labour.** Currently labour charge per hour is £28.66. It is proposed that this fee is frozen at 2013/14 levels.
47. **Towing.** Towing is a minimum two person job with a work boat. Currently the charge is £33.44 with an average time on task of 1.5hours of staff time. We are therefore doing this below cost. It is therefore, proposed that the charge should be

increased to recover staff cost. It is recommended that these fees are increased by 28.57% to £43.

48. **Equipment hire.** Hire of pressure washers and pumps results in a high rate of damage and wear. Costs increased to cover potential maintenance and replacement. Therefore, It is recommended that these fees are increased by 25%.
49. **Sewerage pump out.** Although optional there is no viable alternative for the large boats that cannot move freely to a fixed pump out system (which currently we don't have). Pump outs are being done below cost at present and this increase is for cost recovery. Therefore, It is recommended that these fees are increased by 15%.
50. **Boat yard boat storage and cradle hire.** The boatyard is used by both berth holders and external customers. It is the only facility of its type in central London and therefore can withstand a more robust fee increase. It is proposed to increase the fees by 10% and offer a 5% discount to annual berth holders in the marina. This maximises the revenues from the yard without penalising the existing berth holders and keeping their increase in line with inflation. Therefore, It is recommended that these fees are increased by 10%.
51. **Blast and painting bay.** This was in last years price list with a charge for 3 days. This has proved impractical and therefore we have to increase the use period to 5 days and recommending a 20% increase to the fee.

### Resource implications

52. Table 1 shows the budgets for 2013/2014 and the anticipated income levels for 2014/2015 arising from the proposed fees. Budget assumptions are covered in the comments accompanying the financial table and the above paragraphs.

Table 1 – Public Realm Services Discretionary Fees and Charges

<b>Division/ Income Stream</b>	<b>2013/14 Income Budget</b>	<b>Expected Increase in income arising from increased Volume</b>	<b>2014/15 Estimated Income Budget</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Parking</b>			
- On Street – Meters	2,129,327	0	2,129,327
- Permits -	1,616,445	0	1,616,445
- Off Street - Car Parks	267,481	0	267,481
-Suspensions	101,404	0	101,404
<b>Network Management</b>		0	
-Road Networks	878,638	100,000	978,638
-Skip Licences	120,000	0	120,000
<b>South Dock Marina</b>	754,182	30,000	784,182
<b>Markets and Street Trading</b>	1,035,181	30,000	1,065,181
<b>Parks Services</b>		0	
- Sports Pitches	141,500	70,000	211,500
- Cemetery services	1,446,722	0	1,446,722
<b>Total</b>	<b>8,490,880</b>	<b>230,000</b>	<b>8,720,880</b>

## Budget assumptions and implications

53. As part of the budget setting for 2014/15 additional income of £230k has been proposed for the above income streams with in Public Realm services. This additional income will be achieved from volume increases in sales rather than unit price increases.

## Staffing implications

54. There are no staffing issues associated with this report.

## Community Impact Statement

55. Given the current economic climate and general cost of living increases experienced by Southwark residents and businesses, where possible, fees have been frozen. Changes are proposed only where the Council are not covering its actual costs or where anomalies exist within its current pricing structure. Where possible discounts have been applied for the vulnerable users e.g. Parking permit charges for people with disabilities.

## Consultation / Notification of fee increases

56. Consultation is not required on the above fees and charges. However, once approved, notification of fee increases will be published through the appropriate channels and key stakeholders.

## SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

### Director of Legal Services (SB/041213)

57. The Cabinet Member for Transport, Environment & Recycling is requested to approve the 2014/15 non-statutory fees and charges as outlined in this report. The recommendations will take effect on 1 April 2014 if approved.
58. The approval of the fees and charges sought in this report is a matter reserved to the Cabinet Member for individual decision making in accordance with Part 3D paragraph 3 of the Council's constitution.
59. The proposed increases are intended to be consistent with corporate policy, in particular the Medium Term Resources Strategy and will apply to the existing non-statutory fees and charges.
60. Section 93(1) of The Local Government Act 2003 enables the Council to charge for providing discretionary services. The power in the Act is subject to the requirement that the Council is not prevented from charging for the services by virtue of any other legislation. The Director of Legal Services is not aware of any specific legislative provision which would prevent the Council from relying on these powers to charge.
61. The power to charge for a service under the Act is also subject to the duty to make sure that, taking one financial year with another, the income from charges made from a service does not exceed the cost of the provision of the service.



62. The Council is, therefore allowed to set the level of the charge for each discretionary service that it thinks fit and considers reasonable, subject to those charges not exceeding the costs of the provision.
63. The report confirms that there are no prescribed legal requirements for consultation on the proposed fees and charges although any proposed increases will need to be publicised and notified. Officers should ensure that all forms of notification explain how and to whom any complaints or queries should be made.

**Strategic Director of Finance and Corporate Services (E&L/13/033)**

64. This report recommends that the cabinet member for Transport, Environment & Recycling agrees the proposed non-statutory fees and notes the statutory fees and charges for 2014/15, with an implementation date of 1 April 2014.
65. The strategic director of finance and corporate services notes the resource implications contained within the report and the comparison of proposed council fees with the appropriate inner London average fees.
66. Savings that have been factored into future budgets and alternative savings would need to be identified should the recommendations not be accepted. Officer time to effect the recommendation will be contained within existing budgeted revenue resources.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Public Realm Division Fees & Charges 2013-14 working papers and relevant emails	Public Realm, E & L offices, 160 Tooley Street, SE1	Jamshed Manzoor, Divisional Accountant 0207 525 2111

## APPENDICES

No.	Title
Appendix 1	Parking Services– Statutory and non statutory fees and charges
Appendix 2	Road Networking– Statutory and non statutory fees and charges
Appendix 3	Street Markets – non statutory fees and charges
Appendix 4	Parks sports pitches and BMX Track – non-statutory fees and charges
Appendix 5	Cems & Crems – non-statutory fees and charges
Appendix 6	South Dock Marina –non statutory fees and charges
Appendix 7	Parking – Benchmarking
Appendix 8	Road Networks – Benchmarking
Appendix 9	Street Markets – Benchmarking
Appendix 10	Parks sports pitches – Benchmarking
Appendices 11-a & 11-b	Cems & Crems – Benchmarking
Appendix 12	South Dock Marina – Benchmarking

## AUDIT TRAIL

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<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
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