

Item No.	Classification Open	Date: 20 January 2012	Decision Taker: Cabinet Member for Transport, Environment & Recycling
Report title:		Setting fees and charges for Public Realm Division for 2012/2013	
Ward(s) or groups affected:		All	
From:		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 2012/13, with an implementation date of 1 April 2012.
2. That the Cabinet Member notes the indicative non-statutory fees and charges for 2013/14 and 2014/15.

BACKGROUND INFORMATION

3. This report sets out proposals for the fees and charges to be set for 2012/13 and indicative charges for 2013/14 and 2014/15.
4. The Medium Term Financial Strategy (MTFS) 2010/11 – 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.
5. 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 MTFS.
6. The Council's constitution requires that all fees and charges increases are agreed by the relevant Cabinet Member through an IDM report. An IDM report is also required where no increase or a reduction in fees and charges is proposed

KEY ISSUES FOR CONSIDERATION

7. 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
8. 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.
 9. 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.
 10. 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.
 11. Most fees and charges are to be increased in accordance with the MTFS to the inner London Average and where this does not apply a specific business reason is set out in the attached schedules.
 12. 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.

Road Network and Parking Services (see Appendix 1)

Parking Services

On street parking

13. It is proposed to raise the charges for on street parking by inflation (5%) rounded to the nearest ten pence. There is evidence to show that where pay by mobile is available the volume of paid for parking increases. Also the cost of pay and display when paying by cash is approximately 6% more than pay by mobile. . It is therefore proposed to retain a discount for use of the pay by mobile service
- The cost of pay by cash and pay by mobile to be increased between 4% and 5% in the outer controlled parking zones inline with inflation, with pay by mobile going from £2.40 to £2.50 per hour and pay by cash increasing from £2.70 to £2.80 per hour.
 - The cost of pay by cash and pay by mobile to be increased by between 4% and 9% in the inner controlled parking zones, with pay by mobile going from £4.40 to £4.80 per hour and pay by cash increasing from £4.80 to £5.00 per hour.

Off street parking

14. It is proposed that the surface car parks increase in price in line with inflation of 5% or the next appropriate pricing point in Peckham and Stead Street. It is proposed that the current scheme of charging which favours long term parking in Stead Street car park be adopted for the town centre multi-storey car park in Peckham allowing all day parking plus 2 and 3 hour parking at a reduced cost than currently. The multi-storey car park has very low levels of occupancy when compared to the surface car parks.

Peckham surface car parks at Choumert Grove and Copeland Road car parks increase in line with inflation

- The cost of pay by cash tariff increases to £1.00 per hour; pay by mobile increases to £0.90 per hour an increase of 11 and 12% respectively.

Peckham town centre multi-storey car park (Cerise Road) adopts the same pricing scheme as Stead Street

Period	Tariff	Change
Per day by cash	£6.90	-23.3%
Per day by pay by mobile	£6.30	-21.3%
Up to 3 hours by cash	£2.60	-3.7%
Up to 3 hours by pay by mobile	£2.40	0.0%
Up to 2 hours by cash	£1.50	-16.7%
Up to 2 hours by pay by mobile	£1.40	-12.5%

Stead Street prices increase in line with inflation

- Up to two hours pay by mobile tariff increase to £1.50 pay by cash at £1.60 (7.7 and 7.1%)
- For two to three hours the pay by cash tariff increases to £2.60 and £2.40 for pay by mobile (4.0 and 4.3%).
- For all day the pay by cash tariff increase to £6.90 a pay by mobile charge of £6.30 (4.5 and 5%).

15. We do not intend to increase car park season ticket prices due to the current economic climate.
16. In order to help the local businesses during the current difficult trading environment. The Council will review the position in November 2012 to look to suspend car parking fees at weekends and from 6.30pm onwards during weekdays for all car parks during the festive period.

Parking Permits

Residential permits

17. Fees for resident parking permits were agreed in September 2011 and frozen up to and including March 2013 and therefore residential permits are not dealt with in this report.
18. Resident visitors permits charges are proposed to be increased to the inner London average to £45 per book of 10. It is also proposed that the first book discount be retained and the first book price be set at £25.
19. It is noted, however, that this report recommends that the permit charges for Southampton Way (CPZ) should be made available at the consulted (2009/10) level for the first permit purchased by each resident; that is £99.30 for a 12 month residents permit. This differs from other existing CPZ's where the annual permit has risen to £125. This would remain the case even if the CPZ became operational after 1st April 2012, but no later than April 2013.

Permits for medical staff

20. The council currently offers a range of permits for health service professionals operating in the Borough. These types of permits are not available from other local authorities and have not increased in price since their introduction in 2000.
21. It is proposed that carers permits, M (Doctor's and District Nurses on call) and S (Medical support personnel such as mobile opticians/physiotherapists on call) permits are consolidated into a single Professional Health Workers permit and that these permit charges will be set at the same level as residential parking permits, of £125.00 per annum. .
22. It is also proposed that Doctors permits should rise by 25% from £99.30 to £125 this is to keep the cost in line with a residential permit, which is considered the most applicable comparator. Doctor's permits are not to be consolidated as they refer to specific bays attached to surgeries.

Business Related Permits

23. The fees and charges report for 2010/11 had proposed raising the cost of business permits to the inner London average of £700. However in light of the difficult trading environment that many small and medium sized enterprises in the Borough are experiencing it is proposed that the cost of business parking permits is limited to rising by 10% only from the current £525 to £577.50. Therefore the price of a business permit remains below the inner London average.
24. Street Trader's daily permits are to remain unchanged at £4 and again to reflect the difficult trading conditions that the market traders are facing.
25. It is proposed to increase staff and contractors permits by 10%, an above inflation increase to discourage unnecessary car usage.
26. Car Club bays; the car clubs are a business that the Council are facilitating albeit one we wish to support. We are proposing that after a very successful launch car club permits can be increased from £450 to the inner London average of £650. .

New permits for Professional Child Care providers

27. It is proposed that the Council introduce a discounted business permit for full time professional child care providers which will be set at the level of a standard residents parking permit at £125. .

Suspensions

28. Fees for the suspension of the parking bays are to be frozen at 2011/12 prices as they are already at the inner London average for this service.

Mandatory fees

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

Road Network Management (see Appendix 2)

London Wide Permit Scheme

30. 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 understandably 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. The scheme and fees cannot be amended without approval from the DfT and the fee review is set for September 2012 and thus are outside the scope of this report

Street Works Fines and Charges

31. Fees for a range of inspections and fines for street works are set out in the attached schedule. These fees are all set by the Department for transport (DfT) and are unlikely that any of these statutory fees and fines will be increased within the financial year.
32. There are now two types of FPN's available these are:
- Working in Breach of Permit conditions
 - Working without a permit

Both types of FPN's have a reduced fee if paid within 29 days but the costs of working without a permit is £500 reduced to £300, so is significantly higher than other FPN's which were previously available under the notification scheme.

Highway Licensing Fees

33. All Highways license types have been benchmarked against other central London Boroughs and the range of increase for license fees is between 0% and 32%.
34. Fees for tables and chairs are outside the scope of this report as they are subject to an on-going review to be reported within the next three months.
35. A new charge for Lands and Highways Status enquiries was introduced in 2010/11, based on the costs incurred in time and materials to provide the service. However, there has been a challenge to the validity of this fee by some estate agents, which legal are reviewing, but have currently authorised us to continue charging. Given the current issues it is proposed that this fee remain the same as the previous year.
36. It is proposed to increase the cost of temporary traffic orders to the inner London average of £1881, including £600 for advertising costs. It is also proposed to increase significantly (264%) the costs of emergency orders to the same cost as standard orders minus the advertising costs which do not apply to emergency orders. This is because the amount of work involved in producing and managing a closure order is the same for both types.
37. 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, but is due to be reviewed this year.

Cost & Estimate based charges

38. 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.
39. 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 Markets (see Appendix 3)

40. Street Markets fees and charges were last set in October 2010 and there were no increases in fees and charges in 2011/12 other than the fees for a 12 foot pitch that came into effect in East Street in September 2011. Benchmarking has shown that fees and charges are generally being frozen in the majority of London Boroughs for 2012/13 to support traders during this difficult economic climate. Please see benchmarking information attached.
41. This is the approach recommended for Southwark for 2012/13. However, there are a number of minor adjustments sought which either maximise income potential from prime sites across the borough, or offer a reduction in fees for less popular market days in order to retain existing traders and attract more new traders. Thus fees for casual traders on East Street Wednesday and Sunday are proposed to reduce from £32 to £20 per day. Former Westmoreland Road traders working on East Street on Sundays will see their fees increasing from £16 to £20 to reflect the additional pitch size from 9 to 12 foot. We are also introducing a 4 day fee that includes weekends of £250.00 per month and a 3 day pitch fee not including weekends of £160.00 per month for those traders wanting to continue trading on East Street on reduced days rather than give up trading.
42. These adjustments will result in a balanced position in the Street trading account for 2012/13 due to the present difficult trading climate. However, these charges build on the progress made over then past 12 months that will produce a reduction in the existing £810K street trading deficit of £250K as well as bad debt being reduced by £30K. This will result in the overall deficit reducing to £560K. This has been achieved by increasing pitch sizes in some locations and establishing more pitches in prime positions across the north of the borough, reducing costs to the service through staffing and operational cost reductions, and more effective debt monitoring and recovery action.
43. The service has also introduced new innovative ways to let key prime sites through a Gateway tendering process that maximising the income from these locations. There is also provision in the proposed fees and charges structure to levy a commercial fee for retailers demonstrating new lines to their range.
44. There will be an adjustment to the fees and charges tariff layout that reflects the recent changes to the legislative frame 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.

Parks and Open Spaces

Sports Pitches (see Appendix 4)

45. No increase in charges is proposed for sports pitches in 2012/13. Charges are already at London average or above. New charges have been included for Touch Rugby as this sport is provided in the borough but no charge has been applied in previous years. A new charge has also been introduced for school sports days.
46. Sports pitch fees and charges are now subject VAT and is to be added to all fees and charges except where there is a block booking of 10 or more games.

Cemeteries and Crematoria (see Appendix 5)

47. Appendix 5 identifies the percentage increase in charge from 2011/12. There are significant increases due to applying fees equivalent to the inner London average and the fact that the previous years fees were so low in comparison.
48. Non resident fees have also been increased significantly to enable delivery of the savings target and also in recognition of the current shortfall in burial space which will be addressed over time once a cemetery strategy has been approved
49. Savings targets have been identified as part of the Council's budget making process to require additional income of £75k in 2012/13 and a further £80k in 2013/14. On the basis of current sales figure the proposed fees and charges will deliver the required additional income.

South Dock Marina (SDM) (see Appendix 6)

Mooring Fees

50. South Dock Marina (SDM) is a commercial marina business. The main income stream is generated through mooring fees which are charged at a rate per metre based on the agreed chargeable length overall. Last year the fees at the Marina were subject to a comprehensive review and benchmarking exercise undertaken by an independent industry expert. This exercise made an assessment of comparable marinas to derive an average rate to which the annual mooring fee at SDM should be raised. The formula for deriving this average rate has been updated using the current annual mooring fees at the same comparable marinas to derive a new average rate of £246.43 (see attached spread sheet). In order to bring the annual Leisure Mooring Fee at SDM to this new average rate of £246.53 it would need to be raised by 2.34%. It is therefore proposed that the mooring fees at SDM be raised by 2.34% to bring them to the most appropriate London average.

Short term mooring fees during Olympic Games

51. Berths within leisure marinas in London during the Olympic games are expected to be in great demand, to reflect this and to generate revenue for re-investment in the marina infrastructure it is proposed that short term mooring

fees for boats of up to 15m be increased to £65 per night for the period 23 July to 31 August 2012.

Residential Fee

52. Following the comprehensive review and benchmarking exercise undertaken in January 2011 it was determined that a new per metre annual residential mooring fee of £305.53 excl VAT be levied in 2011/12 in order to match the most appropriate London average. However, given the scale of the change in fees from the previous year, it was decided that the per metre fee be introduced over two years beginning at £283.97 in 2011/12 and then increased 7.5% to achieve the £305.53 rate in 2012/13 along with any other adjustments from annual fee reviews.
53. It is therefore proposed that the Residential Mooring Fees be increased by the agreed 7.5% to £305.53 before being increased again by the 2.34% annual adjustment for this year. This would mean that the Residential Mooring Fees for 2012/13 would increase by 10% to bring them to the most appropriate London average.

Transfer fee

54. It is proposed that transfers of residential licences be allowed for 2012/13 and that the transfer fee should remain unchanged.

Crane, Storage, Labour and Miscellaneous charges

55. These fees are proposed to increase by 2.34% in line with the increase of the other charges at SDM. These fees have been benchmarked with other Marinas and remain competitive.

New Fee for undercover storage of boats

56. As we have introduced new facilities to provide undercover storage for boats in the marina boat yard it is proposed that a new fee of £50.00 per week be charged for this undercover storage. This fee has been benchmarked with other Marinas and is considered to be competitive.

Supply of Electricity

57. Under the Office of Gas and Electricity Markets guidelines, the authority is only able to pass on the charge that the council pays per unit and therefore the unit price will remain the same unless there is a change in the charge from the provider. Additionally, it is proposed that the service charge for the supply of electricity as well as for the hire of meters and for a daily un-metered supply be increased by 2.34% in line with the increase of the other charges at SDM.

Resource implications

58. Table 1 shows the budgets for 2011/12 and the anticipated income levels for 2012/2013 arising from the proposed fees. Budget assumptions are covered in the comments accompanying the financial table and the above paragraphs.

Table 1 – Environmental Services Discretionary Fees and Charges

Division/ Income Stream	2011/2012 Income Budget £	2011/2012 projected income outturn £	2012/2013 Estimated Income Budget £	Increase In Income %	Comments
<u>Parking</u>					
- On Street – Meters cashless	1,064,664	1,064,664	1,064,664	0%	(12/13 amount includes 20p surcharge to the council)
- On Street – Meters – cash payment	1,064,663	1,064,663	1,064,663	0%	
- Permits -	1,466,445	1,466,445	1,616,445	10.23%	2012-13 fig increased to show £150k increase in income target
- Off Street - Car Parks cash & cashless payments	347,481	347,481	267,481	-23%	2012-13 fig reduced to show £80 k Stead St car park income target reduced
- Suspensions	101,404	101,404	101,404	0%	
- Road Networks	578,638	1,305,070	728,378	25.92%	2012-13 fig increased to show £150k increase in income target
- Skip Licences	119,994	75,408	119,994	0%	
- South Dock Marina	704,182	770,896	754,182	7.10%	2012-13 fig increased to show £50 k saving
	5,447,471	6,196,031	5,717,211		
Markets and Street Trading	1,251,417	1,251,417	1,251,417	0%	
<u>Parks Services</u>					
- Parks Sports Pitches	121,000	141,006	121,000	0%	

Division/ Income Stream	2011/2012 Income Budget £	2011/2012 projected income outturn £	2012/2013 Estimated Income Budget £	Increase In Income %	Comments
Cems & Crems	1,291,722	1,291,722	1,366,722	5.80%	2012-13 fig increase to show £75 k increase in income target
Total	8,111,610	8,880,176	8,456,350	4.25%	

59. It is assumed that there will be no corporate inflation increase in the income budgets as compared with 2012-13 figures. The total net increase in income is £344,740 (4.25%). Figure of £344,740 is made up of gross increase in income £425k (5%) which is in line with the additional income target required as part of the budget making process for 2012/13 less £80k reduction in Stead Street car park income target due to its closure in autumn 2012.

Budget assumptions and implications

60. Parking – The income from mandatory income (Penalty Charge Notices) is not shown in the above table.

Community Impact Statement

61. The One of the key considerations in arriving at the proposed fees and charge levels for 2012-13 was the price sensitivity i.e. the impact that increases will have on its customers' ability to pay and the take-up of services. This was supported by comparing prices with neighbouring authorities, where possible. However, this flexibility is limited to only where Southwark have discretion over the level of fees set. The adoption of the proposed fees and charges does not discriminate against any group in the community, either directly or indirectly.

Consultation / Notification of fee increases

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

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance (SB90211)

63. The Cabinet Member for Transport, Environment & Recycling is requested to approve the 2012/13 non-statutory fees and charges as outlined in this report. The recommendations will take effect on 1 April 2012 if approved.
64. 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.
65. 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.
66. 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 Strategic Director of Communities, Law & Governance is not aware of any specific legislative provision which would prevent the Council from relying on these powers to charge.
67. 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.
68. 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.
69. 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.

Finance Director (NR/F&R/5/1/12)

70. This report recommends that the Cabinet Member for Transport, Environment & Recycling agrees the proposed non-statutory fees and notes both the statutory fees and charges for 2012/13, with an implementation date of 1 April 2012 and the indicative non-statutory fees and charges for 2013/14 and 2014/15.
71. The Finance Director notes the resource implications contained within the report and the comparison of proposed council fees with the appropriate inner London average fees. Savings that have been factored into future budgets would need to be replaced 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 12-13 working papers and relevant emails	Public Realm, E & L offices, 160 Tooley Street, SE1	Jamshed Manzoor, Divisional Accountant 0207 525 2111

APPENDICES

No.	Title
1	Road Networking & Parking Services–fees and charges 2012/13-2014/15
2	Road Networking– fees and charges 2012/13-2014/15
3	Street Markets – fees and charges 2012/13-2014/15
4	Parks & Open Spaces – fees and charges 2012/13-2014/15
5	Cemeteries & Crematoria –fees and charges 2012/13-2014/15
6	South Dock Marina – fees and charges 2012/13-2014/15
7	Parking – Benchmarking for 2012/13
8	Road Networks – Benchmarking for 2012/13
9	Street Markets – Benchmarking date 2012/13
10	Parks sports pitches – Fees and charges benchmarking for 2012/13
11	Cemeteries & Crematoria – Benchmarking for 2012/13
12	South Dock Marina – Fees and charges benchmarking for 2012/13

AUDIT TRAIL

Lead Officer	Gill Davies, Strategic Director, Environment & Leisure	
Report Author	Des Waters, Head of Public Realm, E&L	
Version	Final	
Dated	December 2011	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional/Community Council/Scrutiny Team		