

Item No.	Classification Open	Date: 21 January 2013	Decision Maker: Cabinet Member for Transport, Environment & Recycling
Report title:		Public Realm Fees and Charges 2013/14 (Setting fees and charges for Public Realm Division for 2013/14)	
Ward(s) or groups affected:		All	
From:		Strategic Director of Environment & Leisure	

RECOMMENDATION

1. That the Cabinet Member agrees the proposed non-statutory fees as set out in Appendices 1-6 and notes the statutory fees and charges for 2013/14, with an implementation date of 1 April 2013.

BACKGROUND INFORMATION

2. This report sets out proposals for the fees and charges for Public Realm Division services for 2013/14 and together with indicative charges for 2014/15 and 2015/16.
3. The Medium Term Resources Strategy (MTRS) 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.
4. 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.
5. 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

6. 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
7. 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.
8. 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.
9. 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.
10. 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.
11. 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

12. In order to support the council's objectives of supporting the local economy and encourage thriving town centres and high streets it is proposed that the charges for both on street and off street parking be frozen at 2012/13 levels and that the Council will continue not to charge at weekends and after 6.30pm in all its car parks.

Parking Permits

Residential permits

13. Fees for resident parking permits will remain frozen at 2012/13 prices.
14. To recognise that people with disability may require additional support from friends and family it is proposed that Blue Badge holders will receive a 50% discount when purchasing Resident's visitors vouchers.

Permits for Commercial Organisations

15. The council currently offers a range of permits to business & occupational related services, namely:
 - Doctors and medical staff
 - Businesses
 - Markets and Street Traders
 - Car Clubs
 - Professional Child Carers
16. Again in order to support the local economy and encourage thriving town centres and high streets the fees for all these permits will remain frozen at 2012/13 prices.

Suspensions

17. Fees for the suspension of the parking bays are to be frozen at 2012/13 prices as they are already at the inner London average for this service.

Mandatory fees

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

Road Network Management (Appendix 2)

Streetworks permit fees (London Wide Permit Scheme)

19. 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 2013/14.

Street Works Fines and Charges

20. 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.
21. Fees for Temporary Traffic Orders, both planned and emergency are already in line with other central London boroughs. It is worth noting that there is currently a DfT consultation under review which proposes the removal of the requirement to advertise. If this was to be approved and implemented in year, fees would have to be reviewed. The current fee is based on realistic costs of provision of the service and this includes reasonable advertising costs. Charges would have to

be reviewed to reflect the change to the costs.

22. It is proposed that the cost of Section 50 Street Works Licenses be increased by 9.9% to £500 to reflect the costs of administering these licenses. While this puts Southwark above other benchmarked authorities, a Section 50 licence requires a greater level of administration than other street works activity including management of payments and inspections.

Filming Permits

23. New fees of £345 are proposed for permits to film on the highway. This fee is higher than other similar permits as the Council has to provide a much greater level of support to ensure that traffic management is sufficient than they would for an experience utility company.

Core testing & Utility Repairs

24. The New Roads & Street Works Act 1991 allows for the council to charge a fee for core testing. This is a process by which a drilled sample is taken from a utility company's repair, to assess if the quality of the installation of underground material layers has been correctly carried out. There is a DfT Code of Practice from which standards are taken. This fee can only be charged for core tests which fail to meet the prescribed standards. Nationally failure rates for core tests are between 60% and 80%. Without these tests underground issues cannot be identified and these result in higher maintenance costs for repairs, many of which fall outside of the guarantee period provided by the responsible company. Officers have carried out a small trial of core testing and the failure rate was 60%. In 2013/14 it is intended to extend this on a rolling basis to drive up the quality of repairs carried out by third parties, with a fee per core of £185, which is based on quotations from suitable suppliers and associated costs for management of the core testing programme.

Provision of advice on traffic to commercial organisations

25. The council does not normally provide assessment or guidance on traffic management requirements, suitable routes for heavy vehicles and other types of events. However, over the past two years an increasing number of companies have sought advice from council officers on the traffic management of works on the Highway. In these cases an estimate will be prepared to cover the council officer's time in providing this service. This hourly rate of £72.60 (see Appendix 2) has been based on the costs of a suitably skilled and experienced officer to provide the service.

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 complete. As such it is possible that this may change within the financial year.

Permit Renewal Fees

27. In previous years renewal fees for a number of licences and permits have been

charged at a lower rate. However, this is not standard practice for other inner London boroughs and on review the amount of work required to provide the renewal licence is often the same as the work to provide the initial licence. As the first month fee is already been benchmarked against other London boroughs, and is comparable, it has been decided that for Scaffolding, Hoarding and Containers the renewal fees will be removed and each month will be charged at a flat rate which will not increase in 2013/14. This will simplify the charges and the process for these licences.

Skips & material Licenses

28. A great deal of work has been put into improving the number of licences that are being applied for through monitoring and enforcement of unlicensed skips. This is resulting in a significantly higher number of skip licence application than in previous years. As the current levels of the fees are already in the upper quartile of London boroughs it is recommended that no increase is made to the current fee.
29. It is proposed that the fee for material licences be separated out from the fees for skips. For the vast majority of small building jobs and applications on behalf of residents there is no proposed increase this year to the fee that was jointly applied across skips and materials. However a new 'per square metre' fee has been added for larger applications. This is because many larger developers and regeneration projects are being managed with a need to store large amounts of deliveries and materials on the highway. To ensure fairness to residents it is felt that a fee based on the actual amount of space occupied, once over the size of a normal skip or material delivery, should be charged.

Tables & Chairs

30. Street Furniture & Tables and Chairs licences have recently been fully reviewed and approved in year and as such there is no proposed increase. However, the lower level fee for outside of town centres and conservation areas have been dropped as in the first 6 month of operation no applications have been received in this bracket and businesses are already finding the fee structure to be complicated.

Balconies & Structures over hanging the highways

31. A fee has been charged by different departments for renewal of Section 177 licences for temporary and permanent overhangs of the Highway. These are normally balconies on buildings where the planning permission requires an annual fee to be paid or new canopies. However, in the last year this has been centralised within the Network Operations Team and it has been identified that less than 5% of canopies in the borough have been required to obtain a licence. Most of these have been in place for over 20 years and therefore would be very difficult to enforce against. In many cases these premises are restaurants, who will already be required to apply for a Street Furniture Licence for items underneath the canopies, so would in effect be a double charge. In addition for permanent overhangs, such as balconies, this has not always been attached as a planning requirement and where it has been attached, has not always been invoiced or charged. Because of the inconsistent way in which this fee has been charged to date and the legal difficulties that would arise if it were to be rolled out to all premises it is considered that the current charge is impossible to apply in a fair way and it is proposed to be removed from the list of charges to be applied.

Provision of Highway Information

32. The Council provides a great deal of Highways Information into the public domain, via the council website. However, an increasing number of requests are received from commercial businesses, estate agents and lawyers for highway Information. This is separate from the requests from official Con029 searches which are provided by planning. This service will not be chargeable for personal public searches under the freedom of information act. The service information has been made public and is available online. The fee for providing these requests has been held at the current level, however the services provided for this fee have been clarified.

Stopping up of a highway

33. The fee for the Stopping up of a highway associated with planning application under section 247 of the Town and Country Planning Act is currently £4,500. It is proposed that this fee remain the same and includes all advertising costs and officers time. Stopping up orders made under the highways act 116 (highways) & 118 (footways / footpaths) will have a minimum fee as per section 247 however any additional costs incurred by the council will be paid for by the applicant.

Cost & Estimate based charges

34. 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.
35. 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)

36. Street Markets fees and charges were last set in April 2012 and there were no increases in fees and charges in 2012/13 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 2013/14 to support traders during this continuing difficult economic climate. Again to support the local economy and encourage thriving town centres and high streets this is the general approach recommended for Southwark for 2013/14. Also keeping the majority of fees frozen for a further year will 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 balanced position in the Street trading account for 2013/14.
37. However, there are a number of minor adjustments sought which either continue to maximise income potential from prime sites across the borough, or continue to freeze fees for less popular market days in order to retain existing traders and

attract more new traders. Thus fees for the majority of traders will remain the same, but traders on Northcross Road are proposed to rise by above inflation, whilst fees on prime pitches will rise from £250 per month to £300 per month in line with East Street charges to reflect the demand of these locations.

38. 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.
39. There is also the opportunity to licence private markets and a fee of £100 per day for markets with less than 20 pitches and £150 per day for markets with more than 20 pitches. The fee of £100 a day for companies standing on our markets demonstrating their services will be maintained at 2012/13 levels.
40. There will be a further adjustment to the fees and charges tariff layout that reflects the recent 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)

41. In line with the council's health and wellbeing objective to encourage increased participation in sports and physical activity and following the success of the London Olympic Games it is proposed to freeze the fees for sport pitches at 2012/13 rates. Charges are already in line with the London average. However, the income budget is proposed to be increased by £20,000 for 2013/14 to reflect the greater income arising from increased volumes in this area.

Cemeteries and Crematoria (Appendix 5)

42. The report on the future of the cemetery service to Cabinet on the 19 June 2012 noted that the capital investment in the service will need to be reflected in the fees charged for the service. Despite significant increases in recent years fees remain below the London average and that if sufficient revenue is to be generated to maintain the cemetery grounds at desirable standards further increases in fees will be required.
43. Benchmarking of cemetery fees indicates that a 5% increase will keep Southwark's fees in line with other inner London borough's fees. Such an increase in fees will generate the savings of £80,000 required within the 2013-14 budget process. The budget papers also contain a growth item for an increase of £80,000 in the expenditure on repairs and maintenance budget
44. Therefore it is proposed to increase all the cemeteries and crematoria fees by a flat rate of 5% in 2013/14

South Dock Marina (SDM) (Appendix 6)

Mooring Fees

45. South Dock Marina (SDM) is a commercial marina business and marina fees have been benchmarked against similar commercial marinas. The main income stream is generated through mooring fees which are charged at a rate per metre

based on the agreed chargeable length overall and through a variety of ancillary services.

46. It is recommended that a general fee increase of 3.5% be levied on most items. Some services have had the fees optimised to suit market conditions and therefore have increased over and above the 3.5%. The fees and charges list has also been revamped with a simpler fee list that will encourage growth in the boat yard and services part of the business. The additional income generated by this increase in fees will be re-invested into the maintenance budget for the marina.
47. The current fee table covers vessels from 6 to 20 metres of length with a minimum charge of 6 metres. There is no indication of any fees for vessels longer than 20 metres, therefore it is proposed to remove the 20 metre limit and state the charges are for boats of all lengths.

Residential Fee

48. The residential fees were increased in 2011 (5.5%) and 2012 (9.09%). Given the current economic climate an increase of 3.5% is recommended for 2013/14.

Transfer Fee

49. It is proposed that transfers of residential licences remain unchanged. This will remain at 10% of the selling price or £3,000 whichever is greater.

Crane, Storage, Labour and Miscellaneous charges

50. These fees are proposed to increase by 3.5% in line with the increase of the other charges at SDM. These fees have been benchmarked with other Marinas and remain competitive except for the items below.
51. Trailer/small boat storage is currently based on a fixed 6 month charge. This limits business opportunities for shorter term storage as the 6 month fixed rate is too high for short term use. It is therefore proposed to introduce a more flexible charging system for trailer storage with a fee structure starting from 1 week up to 12 months in line with moorings.
52. Pump out services. The marina provides an at berth pump out service for sewage using the work boat. This is a manpower intensive service that takes two men to perform. Charges for this are currently based on a "small tank" £11.31 or a "large tank" £18.46. There is no size definition for the tank sizes therefore it is a subjective charge. It is proposed to revamp this charge based on actual tank sizes with a sliding scale based on volume pumped. This will then be worked out on a time basis and the charges set accordingly to recover all costs where possible. In the interim, until tanks are measured and analysed, a 10% increase is proposed.

Fee for undercover storage of boats

53. The undercover storage fee is not feasible given the manpower and costs of maintaining a flexible covered structure. To date the storage has not been used and therefore it is proposed to discontinue it.

Blast bay and dirty work bay.

54. It is recommended to create a shot blast/paint/dirty work bay using storage containers to contain both the dirt and reduce noise nuisance. Charges for this are proposed at £60 for the first three days and £25 per day after.

Supply of Electricity

55. Under OFGEM 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 remain unchanged.

Resource implications

56. Table 1 shows the budgets for 2012/2013 and the anticipated income levels for 2013/2014 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

Division/ Income Stream	2012/13 Income Budget	2013/14 Estimated Income Budget	Increase In Income Budget %
	£	£	
Parking			
- On Street – Meters	2,129,328	2,129,328	0%
- Permits -	1,616,445	1,616,445	0%
- Off Street - Car Parks	267,481	267,481	0%
-Suspensions	101,404	101,404	0%
Network Management			
-Road Networks	903,306	903,306	0%
-Skip Licences	50,000	50,000	0%
South Dock Marina	754,182	754,182	0%
Markets and Street Trading	1,035,181	1,035,181	0%
Parks Services			
- Sports Pitches	101,000	121,000	20%
- Cemetery services	1,366,722	1,446,722	5.85%
Total	8,325,049	8,425,049	1.2%

Budget assumptions and implications

57. 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 £100,000 (1.20%) (i.e. £80k for cemeteries income and £20k for Parks sports pitches income) which is in line with the additional income target required as part of the budget making process for 2013/14.
58. Parking – The income from mandatory income (Penalty Charge Notices) is not shown in the above table.
59. There are no staffing issues associated with this report.

Community Impact Statement

60. One of the key considerations in arriving at the proposed fees and charge levels for 2013-14 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

61. 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/80113)

62. The Cabinet Member for Transport, Environment & Recycling is requested to approve the 2013/14 non-statutory fees and charges as outlined in this report. The recommendations will take effect on 1 April 2013 if approved.
63. 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.
64. The proposed increases are intended to be consistent with corporate policy, in particular the MTFs and will apply to the existing non-statutory fees and charges.
65. 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.
66. 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.
67. 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.
68. 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 (Env/ET/090113)

69. 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 2013/14, with an implementation date of 1 April 2013. .
70. The Strategic 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 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
1	Parking Services– Statutory and non statutory fees and charges
2	Road Networking– Statutory and non statutory fees and charges
3	Street Markets – non statutory fees and charges
4	Parks sports pitches – non-statutory fees and charges
5	Cemeteries & Crematoria – non-statutory fees and charges
6	South Dock Marina –non statutory fees and charges
7	Parking – Benchmarking
8	Road Networks – Benchmarking
9	Parks sports pitches – Benchmarking
10	Cemeteries & Crematoria – Benchmarking
11	South Dock Marina – Benchmarking

AUDIT TRAIL

Lead Officer	Deborah Collins, Strategic Director, Environment & Leisure	
Report Author	Des Waters, Head of Public Realm, Environment & Leisure	
Version	Final	
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Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	21 January 2013	