

Item No.	Classification Open	Date: January 13 2010	Meeting Name: Executive Member for Environment
Report title:		Fees and charges Public Realm Services for 2010-11	
Ward(s) or groups affected:		All	
From:		Strategic Director of Environment & Housing	

RECOMMENDATIONS

1. That the Executive Member agrees the proposed non-statutory fees and charges for 2010/11 with an implementation date of 1 April 2010.
2. That the Executive Member agrees the indicative non-statutory fees and charges for 2011/12 and 2012/13.
3. That the Executive Member notes the information contained within the report on the agreed 2009/10 non-statutory fees and charges and the projected out turn position.
4. That the Executive Member notes information on statutory fees and charges only.

BACKGROUND INFORMATION

5. This report sets out proposals for the fees and charges to be set for Public Realm Division for 2010/11 and indicative charges for 2011/12 and 2012/13.
6. The Medium Term Financial Strategy (MTFS) 2009/10 – 2011/12 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.
7. 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.
8. The Council's constitution requires that all fees and charges increases are agreed by the relevant Executive Member through an Individual Decision Making (IDM) report. An IDM report is also required where no increase or a reduction in fees and charges is proposed.

KEY ISSUES FOR CONSIDERATION

9. Fees and charges are those charges where there is a schedule of rates for services provided. There are various types, namely mandatory and discretionary ie. 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
 - Flexible – where there is full discretion on the level of charges to be set.
10. Where the Authority has a choice about charging any decision not to charge must be agreed by the relevant Executive Member. This will be reviewed annually and will be considered within the context of the overall budget position.
11. 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.
12. 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 ie. 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.
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 & 2. Appendix 1 also shows statutory fees and charges which is provided for information.
14. It is proposed that:
 - a. That most fees and charges be increased in accordance with the MTFs.
 - b. Fees and charges increases in excess of MTFs are being proposed in the areas where benchmarking shows we are behind the Inner London Average.
 - c. For Street Markets review is currently being undertaken and its fees and charges will be subject to a separate report.

Road Network and Parking Services (see Appendix 1)

Parking Services

Meters

15. No increase is proposed in the charges for Controlled Parking Zones (CPZ) with the exception of CPZ's B and EC. These will increase by 10 pence per hour which will bring them up to £2.40 per hour in line with all other CPZ's in the centre and in the south of the borough.

Car Parks

16. The hourly rate for car parks (excluding Stead Street) is proposed to be increased by 10 pence, from 70p to 80p per hour. However it is proposed that the nightly charge of £1 per night be removed along with charging for Sunday parking for the car parks in Cerise Road, Choumert Grove and Copeland Road. There will be no increase to season tickets charges.
17. In regards to Stead Street car park it is proposed to increase the daily charge by 20p. There will also be an increase in the up to two hourly charge of 30p and an increase of 20p for up to three hourly charges. There will be no increases in the season ticket rates.
18. In order to support the local businesses during the current difficult trading environment during the Christmas period 2010 the Council will suspend car parking fees at weekends and from 6.30pm onwards during weekdays for all car parks.

Permits

19. With regard to the parking permits it is proposed to:
 - Increase the fees for doctors' permits and for careers permits from £81.50 and £86.75 respectively to £99.30 for both to bring them in line with the level of residents fees. However no increase are proposed for residents permits fees.
 - Increase in the fees from £334.40 to £401.28 for business permits to bring them in line with the neighbouring boroughs.
 - Increase fees for Teachers permits to bring them to the level of business permits ie. £401.28.
 - Increase the fees for staff A and SP permits from £172.45 to £200.00 to ensure that the permits are being issued appropriately and managers are mindful of the costs against their budget spend.
 - Increase fees for visitor permits from £12.00 to £15.00 for the first book of permits, and from £30.00 to £35.00 for any subsequent book of ten permits. There has been no change in these fees for several years.

Suspensions

20. Fees for the suspension of the parking bays are increased from £23.00 per day per car space to £25.00. This is comparable to other boroughs.
21. A proposed increase in the administration fee per suspension request from £30.00 to £50.00. This charge has not changed for several years.
22. Fees for the dispensation to park on yellow lines are proposed to increase from £23.00 to £25.00 this will be comparable to other boroughs.

Highways (see Appendix 1)

23. The (Transport Charges) Regulations 1998 leaves the amount of any charge to the discretion of the local authority imposing it but requires them to have regard to the cost of dealing with matters of the disruption in question.

24. To minimise the disruption on the highway for all users a new fee structure is proposed that will encourage companies to prioritise their works and ensure that the occupation is kept to a minimum. The renewal fee will cover the cost to the Council of carrying out inspections to ensure that license conditions are met. The fee benchmarking for scaffolding and hoardings is attached. (See Appendix 6)
25. The first six month licence for up to ten meters will reduce the 09/10 rate by 160% however the monthly renewal fee is proposed to be 25% above 09/10. The first six month licence for over ten meters will reduce the 09/10 rate by 95% however the monthly renewal fee is proposed to be 25% above 2009/10.
26. A reduction of 39.3% in Major Crane licences is proposed along with the introduction of a “charge per operation” structure. This reduction is further offset by the introduction of the minor crane licence.
27. In order to prevent multiple crane operations being carried out under one licence the proposed structure for mobile cranes requires each operation to be licensed. This fee structure will ensure a constant dialogue between the operator and the Authority which will also prevent potentially dangerous operations and will minimise the number potential complaints.
28. It is proposed to introduce a new fee for the licence for containers, site huts and portaloos kept on the highway. Each item to be licensed and renewed monthly with fees in two categories:
 - Up to five meters licence for £150 and a £100 monthly renewal.
 - Above five meters licence for £200 and a £100 monthly renewal.
29. The number of site huts and containers on the highway has increased as many areas of the borough have been undergoing extensive regeneration. These containers and huts can pose a serious danger if placed in the highway without lighting at night and are often also the subject of graffiti. By issuing a license with conditions which require these issues to be addressed the Council will ensure the safety of highways users.
30. The differentiation between site huts and containers is to ensure that major developers and utility companies using the highway for long term storage are charged at a higher rate than residents who require a site hut for builders to meet Health and Safety requirements for washing and toilet facilities.
31. It is proposed to introduce fees for the consideration of Section 38 and Section 278 Agreements according to the Highway Act 1980. The current arrangement for charging is that the costs are assessed and recovered on a case by case basis. By establishing a percentage fee it will enable the Council to fund the legal drafting but also the supervision and quality checking to ensure that the works are completed to an acceptable standard and carried out in a safe and responsible way.
32. It is proposed to increase the fees for a licence to excavate the highways under Section 50 Highways Act 1980 from £300 to £338 (11.20%). The process and costs are the same as for an emergency order and include drafting the documents and carrying site checks. The fee is therefore brought in line with the other charges.
33. The fees for the consideration of traffic orders proposal are to increase by 3.8% which is comparable to other London boroughs.

34. It is proposed to introduce a charge for Highway Land Status of £30.00 for up to five drawings, and £40.00 for up to 100 written pages. Information is often requested by solicitors for land searches and developers. This information is charged to their clients but highways currently provide this service free of charge.

Street Trading

35. Street Trading fees and charges are currently being reviewed and will be subject to further consultation and benchmarking. This is expected to be completed by end of March and will be subject to a separate report. Street Trading has therefore been excluded from this report.

Parks and Open Spaces (see Appendix 2)

Sports Pitches

36. No increase of charges is proposed as current charges are already in line with most appropriate London average. The latest projected income for the current financial year 2009/10 of £168k (£119k in 08-09) against a budget of £183k suggests that any increase in fees might lead to further reduction in income.

Cemeteries and Crematoria (see Appendix 2)

37. It is proposed to increase fees and charges in line with benchmarking data set against other local authorities which provides our current status as below inner London average charges.
38. It is proposed to provide only one excavation fee dependent upon residency or non-residency charges covering all cemetery sites.
39. It is proposed to provide small burial sites for baby interments or cremated remains burials.
40. It is proposed to introduce the option to extend or renew an exclusive right of burial. These are currently sold for a period of fifty years. Providing this option will give the opportunity for families to purchase extra years in batches of ten up to a maximum of 100 years dependent upon residency or non-residency charges.
41. It is proposed to introduce a fee to provide a cost for exhumation of cremated remains from an existing grave within Southwark Cemeteries upon production of a Home Office Exhumation Licence.
42. It should be noted that where a grave has been purchased by a resident the original owner only listed on the Exclusive Right of Burial shall be entitled to interment as that for a resident should they move from the borough.
43. It is proposed that non-resident charges should remain triple that of a resident charge.

Memorabilia

44. It is proposed to increase the fees for memorabilia by 5% to reflect of the cost of the service but to reduce the cost for replacement memorial kerb or leather plaques to provide a realistic charge in line with purchase and renewal fees.

South Dock Marina (SDM) (see Appendix 2)

Mooring Fees

45. 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. It is proposed that all of the short term mooring fees remain the same as they are to be comparable with neighbouring marinas providing similar services. However after looking at the benchmarking results of neighbouring marinas (see Appendix 4) it is proposed that the fees for long term moorings to be increased by 4.2% in order to bring these fees more in line with those charged at neighbouring marinas in central London. Even with this increase the long term mooring fees at neighbouring marinas will continue to be more than SDM by at least 25%.

Residential Fee

46. The Residential Fee was introduced last year with the introduction of residential licences being made available by SDM. It was indicated at that time that as this was a new charge it would be monitored in detail throughout the year and reassessed. After looking at the benchmarking results of neighbouring marinas (see Appendix 4) it is proposed that the Residential Fee to be increased by 4.2% in order to bring the fees charged at SDM more in line with those charged at residential marinas. With this increase in the Residential Fee it will continue to be less expensive to have a residential mooring at SDM for any boat of 11.5 metres or more than it would be to have a non-residential mooring at neighbouring marinas in central London.

Transfer fee

47. For residential berth holders who wish to sell their boat in the marina and transfer the residential licence there will be a charge of 10% of the sale price with a minimum charge of £3,000.00.

Crane, Storage, Labour and Miscellaneous charges

48. Fees in the following areas are proposed to increase:

- Car parking: 350% from £1.11 to £5.00
- Container storage six months: 100% from £363.66 to £727.32
- Pressure washing: 25% from £4.89 to £6.11
- Small holding tank pump out: 22.56% from £8.51 to £10.43
- Crane hire for a single spreader mast lift: 50% from £34.05 to £51.07
- Crane hire for a double spreader mast lift: 20% from £42.55 to £51.06
- Crane hire for an engine lift: 50% from £34.04 to £51.06
- Additional crane hire per hour: 50% from £34.04 to £51.06

49. The above fees have been benchmarked with other Marinas and remain competitive (see Appendix 4). All other prices remain the same as they are comparable with neighbouring marinas providing similar services.

Supply of Electricity

50. Under the Office of Gas and Electricity Markets (OFGEM) the Authority is only able to pass on the charge the Council pays per unit. It is proposed that the charge for the supply of electricity as well as for the hire of meters, etc. be in line with MTFs.

Resource implications

51. Table 1 shows the budgets for 2009/10 and the anticipated income levels for 2010/2011 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	2009/2010 Budget £	2009/2010 Projected Out turn £	2010/2011 Proposed Budget £	Increase In Income %	Comments
Parking					
- Meters	2,058,740	2,058,740	2,108,740	2.4%	See Appendix 1
- Car Parks	344,040	344,040	344,040	0%	See Appendix 1
- Permits	1,323,213	1,323,213	1,323,213	0%	See Appendix 1
- Suspensions	101,404	101,404	101,404	0%	See Appendix 1
- Highways	126,665	126,665	126,665	0%	See Appendix 1
- Skip Licences	168,806	168,806	168,806	0%	See Appendix 1
Parks Services					
- Parks and Open Spaces	182,520	168,000	182,520	0%	See Appendix 2
- South Dock Marina	697,211	745,000	697,211	0%	See Appendix 2
Cemeteries	776,557	583,688	570,557	-26.5%	See Appendix 2
Crematoria	547,920	547,920	547,920	0%	See Appendix 2

- The majority of fees and charges have been increased in line with MTFs or above but where there are good reasons why this has not been adopted this has been detailed within the body of the report. Where the charge for a particular line item is not in line with the MTFs the overall revenue for that service will not be adversely affected.
- Budget assumptions and implications.
- Parking – The income from mandatory income (Parking Control Notice) is not shown in the above table.

- Highways – Due to the recent review of the service, change in fee structure is proposed for various fees. Any increase in income will be utilised to cover the current budget targets given to the service.
- South Dock Marina – The budgeted income excludes the virement outstanding for the loss of rental income from Greenland Dock of £31k.
- Cemeteries – The reduction in income budget reflects the £205k commitments proposed as part of 2010-11 budget.

Community Impact Statement

52. One of the key considerations in arriving at the proposed fees and charges levels for 2010-11 was the price sensitivity ie. 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

53. 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 (SB122009)

54. The Executive Member for Environment is recommended to approve the 2010/11 non-statutory fees and charges as outlined in this report. The recommendations will take effect on 1 April 2010 if approved.
55. The approval of the fees and charges sought in this report is a matter reserved to the Executive Member for individual decision making in accordance with Part 3D paragraph 3 of the Council's constitution.
56. The proposed increases are intended to be consistent with the Medium term resources strategy and will apply to the existing non-statutory fees and charges.

Finance Director (CD122009)

57. This report seeks authority for approving the fees to be charged by Public Realm Division for parking services, highways, SDM and parks and open spaces in 2010/2011. It is only concerned with fees and charges where the Council has discretion about the level to be charged.
58. Currently the MTRS is to generally increase discretionary fees and charges to a level that is equal to the most appropriate London average except where this

conflicts with Council policy or would lead to adverse revenue implications. As outlined in the report, Public Realm is proposing a range of fee and charge increases to bring them in line with the Inner London average. Based on the neighbouring borough benchmarking information provided and given that the proposals seek to maximise income generation, they can therefore be considered in line with the MTRS.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Environment & Housing budget working papers	Public Realm, Environment & Housing Offices, 160 Tooley Street, SE1 2TZ	Jamshed Manzoor, Public Realm Divisional Accountant Tel: 0207 525 2111

APPENDICES

No.	Title
1	Parking Services and Road Networking – Statutory and non statutory fees and charges
2	Parks and Open Spaces and Cemeteries and Cremation and South Dock Marina – non-statutory fees and charges
3	Parking – Benchmarking
4	South Dock Marina – Benchmarking
5 (a & b)	Cemeteries & Crematoria – Benchmarking
6	Highways – Benchmarking

AUDIT TRAIL

Lead Officer	Gill Davies, Strategic Director, Environment & Housing	
Report Author	Des Waters, Head of Public Realm	
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Dated	January 2010	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Executive Member	Yes	Yes
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