

CENTRAL SERVICES PERFORMANCE IMPROVEMENT COMMITTEE

25 JANUARY 2005

CABINET – 8 February 2005

LICENSING AND REGULATION COMMITTEE – 8 February 2005

CITY SECRETARY AND SOLICITOR'S FEES AND CHARGES 2005/06

REPORT OF CITY SECRETARY AND SOLICITOR

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RECENT REFERENCES:

CEN36 - CSS Department Budget 2005/06 - 25 October 2004

CEN76 - CSS Department Budget 2005/06 - 2 December 2004

EXECUTIVE SUMMARY:

The fees and charges for the Department are reviewed in accordance with the guidelines referred to in the previous budget reports listed above. Higher than inflation increases are proposed for Land Charges and Cemeteries, having regard to the projected budgets for these services and benchmarking information on charges in other Hampshire authorities. Fees and charges increases for hackney carriage/private hire and other licensing services are recommended for an average increase of 3% in line with inflation.

RECOMMENDATIONS:

- 1 That it be recommended to Cabinet:
  - (a) That the standard Land Charges fee of £130 be increased to £140 with effect from 1 April 2005.
  - (b) That Cemetery Charges be increased with effect from 1 April 2005 by an average of 10%, as set out in Appendix C, and that the City Secretary and Solicitor be authorised to amend other cemetery charges to achieve the same average overall percentage increase.

2 That it be recommended to the Licensing and Regulation Committee:

- (a) That the City Secretary and Solicitor be authorised to give public notice of the proposed increases in hackney carriage/private hire vehicle and operators' licences as set out in Appendix F to come into effect at the end of the objection period if the City Secretary and Solicitor considers that there are no material objections and in the event of objections being received the matter be brought back to the Committee.
- (b) That the City Secretary and Solicitor be authorised to increase all licensing fees and charges with effect from 1 April 2005, (other than for hackney carriage/private hire vehicle and operators licences) by an average of 3% as set out in Appendix G.
- (c) That the report on the financial position with regard to the Homelands event be noted.

CENTRAL SERVICES PERFORMANCE IMPROVEMENT COMMITTEE -25 January 2005CABINET – 8 February 2005LICENSING & REGULATION COMMITTEE – 8 February 2005CITY SECRETARY AND SOLICITOR'S FEES AND CHARGES 2005/06Report of City Secretary and SolicitorDETAIL:1 Introduction

1.1 The report sets out the statutory criteria for setting fees and charges for the relevant services. It also outlines the budget guidance given by the Committee and Cabinet in the earlier stages of the budget process.

2 Land Charges

2.1 The draft Land Charges budget is set out in below.

	2003/04 Actual £	2004/05 Budget £	2004/05 Revised £	2005/06 Budget £
Gross Expenditure	267,889	301,990	333,570	391,760
Search Fees	(445,656)	(465,000)	(489,000)	(498,300)
Recharge	(5,700)	(5,700)	(5,700)	(5,810)
Net Surplus	(183,467)	(168,710)	(161,130)	(112,350)
Reserve	81,467	41,710	34,130	(14,650)
GF Contribution	(102,000)	(127,000)	(127,000)	(127,000)

2.2 The budget guidance was that the overall Land Charges fee increase should produce (£10,000) additional income above in addition to inflation. The account should also accommodate £15,000 towards additional support from the ICT client for implementation of the computerisation proposals.

2.3 Each year the fees are benchmarked with other Hampshire Districts. The 2004 fees for other Hampshire authorities are shown as Appendix A.

- 2.4 Appendix B outlines the legal considerations in relation to fee setting.
- 2.5 The current standard search fee is £130. Having regard to the benchmarking information in Appendix A, the budget guidelines on income generation, and the programme to commence computerisation next year, it is proposed that a fee of £140 would be appropriate. This takes account of a slight reduction in search activity recently, though at this stage it is not known whether this will continue. The budget allows for the likely take up of the 18% fee discount for NLIS users which has also increased in the year. The proposals are considered to represent a reasonable balance between the interests of the service user and the Council Taxpayer. In arriving at the figure due regard has been had to the level of expenditure incurred on the service.
- 2.6 Personal Search agents are used by some solicitors to visit the offices to make personal searches. The current statutory fee is £11 though this does not cover all the information given by the Council in written searches. The agents then use public registers held by various departments to find some additional information free of charge. In effect this provides private competition to the Council service – with the Council having to provide some information free of charge. Take up of personal searches has increased during the current year, but is still low compared to many other authorities. The prompt service provided by an authority for its written search service, and the level of fee charged, will affect the extent to which private search agents are used.
- 2.7 CAB498 authorised a reduction in the charge of 18% to National Land Information Service (NLIS) users to encourage the use of electronic search delivery in the future through the NLIS hub. The Government encourages this approach so that electronic conveyancing can become a reality in future. In preparing this budget it has been assumed that up to 30% of searches could go through the hub next year. If this assumption is wrong then the charges may have to be reviewed though this is not desirable mid-year unless it cannot be avoided due to advance publicity that is given to annual charges.
- 2.8 The practice is also to set a General Fund Contribution each year. For 2004/05 and 2005/06 it is proposed that this should be (£127,000). Any surplus will transfer to the Reserve, as the computerisation project will commence in 2005/06 in order to meet the e-governance targets. The actual costs of computerisation will be subject of a feasibility study and a further report to Cabinet in February 2005.

### 3 Cemeteries

- 3.1 There are two cemeteries administered by the City Council. Magdalen Hill receives the majority of burials. As it is full, West Hill is rarely used for new burials, except in existing family graves, but the cemetery does provide a public amenity. The net cost of both cemeteries is charged to the Winchester Town Special Expenses heading. The budget also includes £3,530 for maintenance of disused churchyards – which is a District charge.
- 3.2 In setting the proposed fees account has been taken of the budget guideline to produce £10,000 additional income over and above a 3% inflation increase. Regard has also been had to the benchmarking information in Appendix C. An average increase of 10% has been included in the budget figures. This takes account of an allowance of £5,000 because of a recent trend for increased cemetery income.

**Comment:** The above budget is @ CEN76, that is before taking in any proposed savings. I haven't made any changes - 2% income inflation was included in the budget calculations. Growth/Savings to be approved in February



3.3 The draft budget was prepared on the following basis:

	2003/04 Actual £	2004/05 Budget £	2004/05 Revised £	2005/06 Budget £
Gross Expenditure	129,470	141,630	149,900	150,650
Fees & Charges	(71,546)	(68,820)	(68,820)	(80,200)
Recharge	(5,700)	(5,700)	(5,700)	(5,810)
Net Cost	52,224	67,110	75,380	64,640

- 3.4 The benchmarking exercise on cemetery income in recent years showed that fees were not as high in comparison to a number of other Hampshire districts. Above inflation fee increases were approved so that a greater contribution was made towards the cemetery maintenance costs borne by the City Council.
- 3.5 The principal fees charged in 2004/5 are shown for comparative purposes in Appendix C. These show that with fee increases applied last year, there is still a significant difference between some of the districts and the charges in Winchester. This has occurred nationally as authorities seek to meet a greater percentage of the running costs from fee income. However, the comparison with other rural authorities is also relevant. The column headed 'new double' relates to an interment in a double depth purchased grave and is the most commonly applied charge. It is the easiest one to use for comparative purposes. Given this information, an increase of 10% increase is recommended.
- 3.6 The fees in Appendix C are only a sample of the principal charges. If an increase is approved then the City Secretary and Solicitor would use delegated powers to achieve an average increase of the percentage guideline set by Members – though the actual change to each charge may vary.
- 3.7 A factor, which may have been relevant elsewhere, can be a policy to increase charges above inflation to encourage cremation and make best use of land resources. In Winchester, the Magdalen Hill site has capacity for approximately 40/50 years depending on rate of usage. There is also a Council owned field adjacent which has been held for long-term further expansion when the existing site is completed. In rural areas, comparisons can also be made to churchyards provided by the local Church or Parish Council where charges are generally lower than those provided by Districts, in some cases due to maintenance being undertaken on a voluntary basis.
- 4 Hackney Carriage and Private Hire
- 4.1 Benchmarking information on some of the major hackney carriage/private hire licence fees is shown as Appendix D.

4.2 The statutory framework allows the Council to set fees so as to recover its reasonable administrative costs. Public advertisement has to be given of any changes to the operators and vehicle licence fees and any public comments considered before a final decision is made. This requirement does not extend to drivers' licences.

4.3 The budget is set out in the table.

	2003/04	2004/05	2004/05	2005/06
	Actual £	Original Budget £	Revised Budget £	Budget
Gross Expenditure	67,461	64,380	70,810	66,700
Licence Fees	(68,005)	(63,680)	(70,110)	(66,000)
Net Cost (Surplus)	( 544)	700	700	700

4.4 Given that there has been an increase in the number of licences issued, with corresponding income, an inflation increase of an average of 3% is required. The details are included in Appendix F.

## 5 Other Licensing

5.1 The budget excludes the base budget for the Licensing Act 2003 which is now treated as a separate account as the fees will be set by the Government.

5.2 However, "other licensing" still includes a number of licences which will be replaced by the Licensing Act 2003 during the transitional period for both systems – currently anticipated to be up to November 2005, but still subject to final confirmation from the Government. For this reason the budget has yet to be finalised for 2005/06 but will be reported to Cabinet during February 2005.

5.3 The policy for other licences has been to recover costs, but making some allowance for the licences, which have to be issued free of charge by statute e.g. public entertainment for village halls/community centres and street collections. The proposed balance on the account will accord with that policy. Home Office Circular 13/2000 asks local authorities to review their charges for theatre/public entertainment licences on this basis. It points out that the cost of charitable exemptions/reductions cannot be made up by an increase on other licence fees but is a cost to be met by the General Fund. Benchmarking information on fees is contained in Appendix E. The proposed fees, averaging a 3% increase, are included in Appendix G.

## 6. Major Outdoor Events Fees

6.1 This fee is reviewed annually to reflect the actual experience of costs incurred in the previous year and any projected changes. It has been the practice to treat the application fee for major outdoor events separately from the other licences to ensure that the fees are proportionate to the costs incurred. The reasonable level of work input required by the Council is also reviewed each year so this complies with guidance in the Home Office Circular.

6.2 The Licensing and Regulation Committee gave delegated powers to determine the fee for major outdoor entertainment events each year – Report LR 6. This reads as follows: -

"That the City Secretary and Solicitor in consultation with the Chairman and/or Vice-Chairman of this Committee, be authorised to determine the fee structure for

major outdoor entertainment events, in the light of any experience of expenditure for dealing with previous applications, and that a report on the outcome be made to Committee.”

- 6.3 This practice has continued each year and the report on the outcome in this financial year for the Homelands event is given below.
- 6.4 The Licence fee for Homelands held in May 2004 was calculated on the following formula:

“£6,000 (plus £1-00 x licensed attendance for up to 30,000 capacity and a further £0.45 for each additional person for licensed capacity between 30,001 and 50,000) plus 25% of the total for each day or part of a day after the first.

A day is taken as the period of 24 hours commencing 0800 hours.

The fee for any event exceeding 50,000 will be provided on application”.

- 6.5 The formula produced a fee of £39,600 for the event held in May 2004. The Council had always indicated that its aim was to recover its actual costs and that it would review the situation if there were a significant over-recovery to see if a refund was due.
- 6.6 The costs incurred between 1 August 2003 and the debrief meeting in July 2004 in dealing with the event in May 2004 are set out below.

£

Direct costs of staff on the day and external consultants

Environmental Health	9,706
Other Depts	3,487

Management Overheads for processing application and approvals under Licence conditions

Legal	10,463
Environmental Health	7,120
Building Control	2,878
Safety Team Meetings - Room Hire	630
- CSS Admin	1,064
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	35,348

- 6.7 At its meeting on 27 February 2001 the Committee gave authority to depart from the scale fees in consultation the Director of Finance, the Chairman and/or the Vice-Chairman. Following the consultation it was decided to make a refund of £4,252 to reflect the actual costs that the Council had incurred.
- 6.8 The review of the formula for applications received in 2004/05 was undertaken in consultation with the Chairman and Vice Chairman. The same formula as for last year was adopted, with a minor variation of the initial £6,000 in the formula being increased to £6,500. This allows for a contingency for unforeseen costs and the refund approach can again be considered if there is a significant over-recovery.
- 6.9 The fee received for the application made in 2004 for the event in May 2005 was, therefore, £40,100.

- 6.10 The introduction of the Licensing Act 2003 means that this is will be the last year that fees for this event will be calculated in this manner. When the new fee regulations are introduced then a statutory fee level will apply and the indications are that the recoverable fees will be significantly lower than those recoverable under the current system.

OTHER CONSIDERATIONS:

7 CORPORATE STRATEGY (RELEVANCE TO):

- 7.1 The need to make the best use of all available resources by continued clear financial planning within the City Council is an integral part of the Corporate Strategy.

8 RESOURCE IMPLICATIONS:

- 8.1 As detailed in the body of the report.

BACKGROUND DOCUMENTS:

Working papers in the CSS and Finance Departments

APPENDICES:

- Appendix A Land Charges Fees Comparison  
Appendix B Land Charges Fees – Statutory Background  
Appendix C Cemeteries – Charges Comparison  
Appendix D Comparison of Hackney Carriage and Private Hire Fees with other Councils  
Appendix E Comparison of Public Entertainment Licensing Fees with other Councils  
Appendix F Hackney Carriage and Private Hire – Existing and Proposed Fees  
Appendix G Other Licences – Existing and Proposed Fees