

**ECONOMY, TRANSPORT AND ENVIRONMENT CHARGES REVIEW**

*To:* **Cabinet**

*Date:* **28<sup>th</sup> January 2014**

*From:* **Executive Director: Economy, Transport and Environment**

*Electoral division(s):* **All**

*Forward Plan ref:* **N/a** *Key decision:* **No**

*Purpose:* **To provide an update on the review of Economy, Transport and Environment charges in line with the Business Plan.**

*Recommendation:* **Cabinet is recommended to:**

- a) Agree that the principles outlined in Section 3 be adopted when reviewing charges in future.**
- b) Agree that the Council will continue not to levy charges for temporary road closure orders for charities and non-commercial community events.**
- c) Approve the charges outlined in Appendix A for 2014/15.**
- d) Approve the use of February Retail Price Index for uprating charges in line with inflation where applicable.**
- e) Note that the following pieces of work are being taken forward:**
  - Review of highways searches charges;**
  - Investigating charging for pre-application planning advice in relation to Public Rights of Way;**
  - Further benchmarking against other authorities including to ensure that overheads are being applied consistently.**

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## **1. BACKGROUND**

- 1.1 The Business Plan 2013/14 outlined the need to review charges applied by Economy, Transport and Environment as part of a longer-term strategy to ensure that we align our charging policies. The aim of this review is to ensure that we put in place charges that are appropriate to support and improve service provision.
- 1.2 This report covers the Highways and other related charges workstream.

## **2. COST RECOVERY AND APPROPRIATE LEVEL OF CHARGES**

- 2.1 Traditionally, the Council has sought to minimise charges, whilst recognising that it is legitimate to cover the costs of activity on behalf of external organisations. Under legislation, the Council is entitled to recover costs for licenses and permits, but cannot make a profit from such charges.
- 2.2 The review of Highways and other charges has focused on ensuring that in calculating charges, the full cost of officers implementing the work and all overheads, including management and support officer time, are included in a consistent way.
- 2.3 The review has focused on our internal costs. Additional work on benchmarking is proposed to help mitigate risks and provide additional assurance on our charges.
- 2.4 Some of our charges are set nationally and therefore must remain the same.

## **3. PROPOSED CHARGES FOR 2014/15**

- 3.1 The following are proposed as the guiding principles for setting charges:
  - The user pays
  - Set realistic charges
  - Use benchmarking to compare with other authorities
  - Ensure that all aspects of overheads are included, and that this is done in a consistent way
  - Recognise that if we do not ensure full recovery of costs, services to the public will need to be reduced
  - It may be necessary to introduce a charge for a service in order to retain that service
  - Up-rate fees and charges by Retail Price Index (RPI) each year where it is appropriate to do so.
- 3.2 Proposed charges for 2014/15 are outlined in Appendix A, together with predicted income. Appendix A includes a number of new fees and charges.
- 3.3 Where an increase is dependent on inflation, it is proposed that February 2014 RPI is used to up-rate the 2013/14 charge once the RPI figure is known. This is consistent with how charges have been up-rated previously.
- 3.4 It is proposed that further, more detailed, benchmarking work be carried out in specific areas, which will help to mitigate the risk of challenge.
- 3.5 Further work has been identified to investigate charges for searches and in relation to pre-application advice in relation to Public Rights of Way.

- 3.6 The Council does not charge charities or community events for temporary traffic regulation orders (road closures) where the event is non-commercial. It is proposed that this approach will continue.

#### **4. PREDICTED INCOME**

- 4.1 The proposed charges would result in an estimated increase in income of £397,600 in 2014/15. (Note – current income from these charges is £2.2 million). Additional to this, charges already approved for pre-application planning advice are expected to generate £50,000 in 2014/15.
- 4.2 Many of the proposed charges are linked to inflation and/or ensuring that all costs, including overheads and support costs, are included. However, in some cases, a modified approach is proposed to provide a fairer charging regime. These include:
- Chairs and tables on pavements licences – Move from a bi-annual licence to an annual one. Licence to reflect the benefit to the operator, i.e. in terms of area occupied rather than a flat fee. Also, a premium is proposed for licences within the Cambridge historic core area to reflect the higher costs of managing busy city centre sites.
  - Scaffolding/hoarding permits – Move from a charge per site to charging per road that has scaffolding/hoarding on thereby reflecting more fairly the overall impact.
  - Emergency road closures – Increased charge as these are unplanned events with greater impacts and costs than planned events.

#### **5. ALIGNMENT WITH PRIORITIES AND WAYS OF WORKING**

##### **5.1 Developing the local economy for the benefit of all**

Ensuring that our fees and charges fully cover all of our costs will maximise the amount of income available to support service delivery, which will benefit individuals, communities and the county as a whole, whilst ensuring that a fair price is paid.

##### **5.2 Helping people live healthy and independent lives**

There are no significant implications for this priority.

##### **5.3 Supporting and protecting vulnerable people**

The Council does not charge charities or community events for temporary traffic regulation orders (road closures) where the event is non-commercial. It is proposed that this approach will continue.

##### **5.4 Ways of working**

There are no significant implications for this priority.

## **6. SIGNIFICANT IMPLICATIONS**

### **6.1 Resource and Performance Implications**

The report above sets out details of significant implications in paragraph 4.1. Revenue is included in the Council's Business Plan.

### **6.2 Statutory, Risk and Legal Implications**

Councils can legitimately cover their costs for work undertaken on highways. They can generate a surplus from parking fines and charges provided this is re-invested in transport and environment, but, for licences and permits, Councils can only recover costs.

### **6.3 Equality and Diversity Implications**

No significant implications identified. A Community Impact Assessment has been carried out as part of Business Planning (Appendix B).

### **6.4 Engagement and Consultation Implications**

Engagement has taken place with relevant stakeholders including business groups, utility companies, skip and scaffolding companies.

### **6.5 Public Health Implications**

No significant implications identified.

<b>Source Documents</b>	<b>Location</b>
None	