

PERTH AND KINROSS COUNCIL

Environment Committee

11 January 2017

The Environment Service Scheme of Charges 2017/18

Report by Director (Environment)

This report provides details of the charges in place within The Environment Service for financial year 2016/17 and the proposed charges for financial year 2017/18 as detailed in Appendix 1. Environment Committee are asked to consider and comment on the proposed charges as set out in Appendix 1 of this report. Final approval of charges will be determined by the Council on 9 February 2017.

1. BACKGROUND / MAIN ISSUES

- 1.1 Section 9.1.1 of the Council's Financial Regulations state that a review of charges must be undertaken at least annually and a revised Scheme of Charges submitted to the relevant themed Committee for consideration.
- 1.2 The Corporate Charging policy approved by the Strategic Policy & Resources Committee on 23 September 2015 (report No. 15/401 refers) sets out the key principles to be followed when setting charges, charges in scope and the annual process to be undertaken in carrying out reviews of individual charges. This ensures consistency across the Council whilst allowing Services the flexibility to shape their approach/policy to meet the needs of customers.
- 1.3 Services are required to submit their proposed list of charges to themed Committees in January/February of each year in advance of setting the budget in February (report No.15/276 refers). This provides Committees with an opportunity to examine Service proposals and recommend charges subject to final approval by the Council in setting the Revenue Budget for the year ahead.
- 1.4 All fees and charges should be set in line with the approved individual charging policy and fall into one of the following categories:

Charging Strategy	Objective
Commercial Charges	The Council aims to cover the cost of providing the service and make a surplus.
Full Cost Recovery	The Council aims to recover the costs of providing the service from those who use it.
Subsidised	The Council wishes users of the service to make a contribution to the costs of providing it. This might meet a service objective or allow competition with other providers.
Free	The Council chooses to make the service available at no charge to meet a service objective.
Statutory	Charges are determined in line with legal requirements.

2. PROPOSALS

- 2.1 The Environment Service provides a diverse and wide range of chargeable services to the public and business community ranging from burials and planning fees to parking and commercial waste.
- 2.2 The charging arrangements are set based on a combination of legislative requirements, national policy guidance, market competition and local guidance. As a result there is a mix of discretionary and non-discretionary charges levied by The Environment Service. The annual review process considers a number of factors including an assessment of previous years income, trends in user demand, inflationary pressures, potential to move to payment at point of sale, council revenue budget and savings targets, alternative charging structures and potential impact on vulnerable groups. The charging strategy and specific proposals for 2017/18 are set out below with a detailed breakdown of the proposed charges to be levied with effect from 1 April 2017 in Appendix 1.
- 2.3 All income generated by charges contributes to service budgets and the continued development and delivery of services.

Commercial & Domestic Waste – Full Cost Recovery (Appendix 1 Item 1)

- 2.4 There is a limited commercial market for the provision of waste collection services in anything other than urban locations due to the associated economies of scale for private sector providers. This, combined with our statutory duty as a service provider of last resort, requires the Council to offer a commercial waste collection service, predominantly for rural locations if no other provider offers the service. This is viable for the Council as it uplifts Commercial Waste alongside domestic waste. Revised commercial waste and skip hire charges in 2015/16 had the effect of stabilising the customer base (approximately 1531) and attracting some new business to the Council which has been repeated in 2016/17.
- 2.5 Proposed charges for 2017/18 reflect current and projected contract rates for different commodity types as a result of contract renewals and prevailing market rates. The volatility of the recycling commodity market requires a degree of flexibility in charging customers the appropriate amount throughout the year and recovery of any change to landfill tax rates (from 01 April 2016 the standard rate is £84.40), consistent with the requirements of the Council's Financial Regulations.
- 2.6 Budgeted commercial waste income in 2016/17 is £980k with costs of collection, disposal of waste and associated overheads offsetting this income. Invoices to customers for commercial waste services are issued in advance of the new financial year to ensure full payment is received and/or direct debits are set up before the service is provided, minimising the financial risk to the Council.

Public Conveniences – Subsidised (Appendix 1 Item 1)

- 2.7 The charge of 30p per visit has remained the same since 2006/07 and is considered to be a reasonable charge for use of the 7 attended public toilet facilities throughout the Council area. It is proposed to keep the charge of 30p for 2017/18. Budgeted income in 2016/17 from paying customers is £80k although the Council subsidises the provision of attended toilets at a net cost of approximately £170k per annum.
- 2.8 As part of the revenue budget setting exercise on 11 February 2016 (report 16/51 refers), Council provisionally approved the closure of the 7 remaining attended public toilets to be replaced with comfort schemes in these locations with effect from 1 April 2018. Moving to a full cost recovery approach would require charges to increase to at least £1.40 per visit assuming the same number of paying customers per annum (approx. 300,000 visits).

North Inch Golf Course – Subsidised (Appendix 1 Item 4)

- 2.9 The implementation of the North Inch Golf Course business plan approved by the Environment Committee on 23 March 2016 (Report No. 16/141) has led to an upturn in the courses performance over the last 2 years. Pay-per-play customers have increased significantly over the past 2 seasons but season ticket holder numbers continue to decline.
- 2.10 The current level of subsidy per member is £376 per annum and £42 per visitor round. It is proposed to introduce new charges in respect of FootGolf and summer 6 hole and 9 hole rounds and also increase existing charges in line with the approved business plan with the aim of achieving full cost recovery by 2021/22.
- 2.11 Budgeted income for the North Inch golf course in 2016/17 is £80k.

Charges are levied through a combination of payment at point of sale (Papos) for pay-per-play customers and an online payment facility or cheques for season ticket holders.

Football Pitches, Parks Events & Miscellaneous Facilities – Subsidised (Appendix 1 Item 5 & 6)

- 2.12 Events and Sports Pitch charges are aimed at ensuring commercial events are charged according to their use of greenspace sites. Current levels also reflect the simplified arrangements for football pitch bookings approved by the Environment Committee on 26 March 2014 (Report No. 14/119 refers).
- 2.13 As part of the revenue budget setting exercise on 11 February 2016 (report 16/51 refers), Council provisionally approved a 3% increase in non-statutory charges for 2017/18 which will help to recover general inflation and contribute towards subsidy levels.

- 2.14 Following a review of events held on parks and open spaces in 2016/17, it is proposed that in order to deal with reinstatement issues, only the Council will undertake reinstatement works. Currently, event organisers have the option to undertake the reinstatement works themselves. This has proven to be problematic in terms of the time taken and the quality of the reinstatement works.
- 2.15 There are a handful of large events, primarily in Perth, where there have been issues in relation to reinstatement of Council owned public space. It is proposed that large events may be charged a refundable £5,000 bond which would be utilised to deal with damage caused by the event. If the reinstatement works are less than £5,000 then the balance would be returned. Also, where cars are required to be parked on greenspace sites and organisers are charging for the parking, 25% of takings are to be returned to the Council.
- 2.16 Budgeted income for football pitches and parks events in 2016/17 is £30k. Charges are predominantly levied by invoice.

Burial & Cremation – Full Cost Recovery (Appendix 1 Items 7 & 8)

- 2.17 Based on the Citizens Advice Scotland 'The Cost of Saying Goodbye' Burial and Cremation Charges in Scotland 2016, Perth and Kinross Council burial charges are the 6th highest in Scotland. The average burial charges have increased on average by 8% across Scotland in 2016 when compared to 2015. Perth and Kinross Council's increase was 0% for the same period.
- 2.18 As part of the revenue budget setting exercise on 11 February 2016 (report 16/51 refers), Council provisionally approved a 1% increase in burial charges for 2017/18. It is proposed to increase all charges by a further 2% for 2017/18. The assumed additional income has been included in the 2017/18 revenue budget proposals.
- 2.19 Budgeted income for burial services in 2016/17 is £570k. Charges are predominantly levied by invoice.
- 2.20 Perth and Kinross Council cremation charges are the 3rd highest in Scotland for local authority run crematoria, but includes a £100 levy for Mercury Abatement which is accumulated into a reserves fund which will support the refurbishment of Perth Crematorium as approved by the Environment Committee on 25 March 2015 (Report No. 15/147).
- 2.21 The average cremation charges have increased on average by 11% across Scotland in 2016 when compared to 2015. Perth and Kinross Council's increase was 0% for the same period.
- 2.22 As part of the revenue budget setting exercise on 11 February 2016 (Report No. 16/51 refers), Council provisionally approved a 1% increase in burial charges for 2017/18. It is proposed to increase all charges by a further 2% for 2017/18. The assumed additional income has been included in the 2017/18 revenue budget proposals.

- 2.23 Budgeted income for cremation services in 2016/17 is £875k. Charges are predominantly levied by invoice.

Fleet MOTs – Statutory (Appendix 1 Item 9)

- 2.24 Charges are set in line with statute. There has been no notification of any increase in charges for 2017/18. Charges are predominantly paid by cash, cheque or credit card.

Statutory Fixed Penalty Notices – Statutory (Appendix 1 Items 10 & 12)

- 2.25 Charges are set in line with statute. There has been no notification of any increase in charges for 2017/18. Charges are predominantly paid by cash, cheque or credit card.

3. CONCLUSION AND RECOMMENDATION

- 3.1 This report provides a summary of the proposed charges for 2017/18.
- 3.2 The Environment Committee are asked to consider and comment on the proposed charges as set out in Appendix 1 (Items 1, 4 to 10 and 12 Environment Committee).

Author

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Approved

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	None
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	None
Asset Management (land, property, IST)	None
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	None
Legal and Governance	None
Risk	None
Consultation	
Internal	Yes
External	None
Communication	
Communications Plan	None

1. Strategic Implications

Corporate Plan

1.1 This section should set out how the proposals relate to the achievement of the Council's Corporate Plan Priorities:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

1.2 This report relates to all objectives.

2. Resource Implications

Financial

2.1 The impact of the proposed changes to 2017/18 charges have been incorporated into the Service's 2017/18 Revenue Budget for approval at Full Council on 9th February 2017.

3. Assessments

Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties. The Equality Impact Assessment undertaken in relation to this report can be viewed by clicking [here](#).
- 3.2 The function, policy, procedure or strategy presented in this report was considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome. Following an assessment using the Integrated Appraisal Toolkit, it has been determined that the proposal is assessed as **not relevant** for the purposes of EqIA.

4. Consultation

Internal

- 4.1 TES Service Managers with responsibility for the charges detailed in Appendix 1 have been consulted in the preparation of this report.

2. BACKGROUND PAPERS

- 2.1 No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

3. APPENDICES

- 3.1 Appendix 1 – TES Scheme of Charges 2017/18.