



DECISION NO: P&C70 (2017/18 SCHEME)

SUBJECT: 2018/19 Fees and Charges Uplift

KEY DECISION: YES

BACKGROUND: Fees and charges represent an important source of income, providing finance to assist in achieving the Council's broad objectives. Some of our fees and charges are effectively set by legislation but many are locally determined.

Income derived from charging will be used to offset the costs of providing the service being charged for, including support service costs. In setting an appropriate level of fees and charges, managers also take into account their client groups and corporate objectives.

A corporate increase of 1.25% has been applied across People and Communities income. The proposed increases in fees and charges are necessary to meet increased costs and budgetary pressures to which the Council is subject and will ensure that the contribution made by fees and charges to the Council's overall income budget is maintained. Full details of the proposed fees and charges for 2018-19 are set out at appendices 1 and 2 and a summary is provide below.

The new charges have been set in accordance with the revised principles and guidance in relation to the setting of fees and charges approved by the Executive in February 2016.

Directors are empowered to make decisions to increase fees and charges up to and including increases of 5%.

DECISION: To agree the 2018-19 fees and charges as set out in the report and in Appendix 1.

DETAILS AND REASONS:

Social Care:

For adult social care clients, service users are subject to a financial assessment to ensure that the actual charge levied is commensurate with their available resources.

In social care, fee increases are an added risk as the client group are vulnerable and ability to pay or collect is often constrained. The risks associated with the adult social care charges amendments include:

- potential negative impact on the take up of services
- increased risk of non-payment
- increase in bad debt

The proposed percentage fee increases for adult social care are summarised in the table below and are reflective of increased costs / cost recovery;

Service being charged	2017/18 charge	2018/19 charge	2018/19 % increase
Home care	£17.00	£17.50	2.94%
Respite Care (Pensionable age users) *	£17.75	£18.30	3.10%
Respite Care (25 to Pensionable age) *	£11.50	£11.65	1.30%
Respite Care (18 to 24 years) *	£9.35	£9.50	1.60%

* These rates are uplifted in line with announced benefits entitlements

Housing and other services:

Housing services are proposing to revise fees across a number of services. The proposed percentage fee increases are summarised in the table below and full details are in Appendix 1.

Service Area	Proposed Increase %
HMO Licencing (Additional)	N/A Fixed for life of scheme
Gypsy & Caravan site Liaison (Further Advice)	1.25%
Non Statutory Inspection Fees	1.25%
Other Housing Related services	1.25%
Home choice	1.25% - 5%
Enabling	0% (set sub-regionally)
Sheltered Leasehold	2%
Mobile Home Licensing	1.25% – 2.43%

Mobile Home Sites

The Fee Policy for Protected Sites has been amended to reflect the increased fees and in line with the legislation (Caravan Sites and Control of Development Act 1960) has been published as Appendix 2.

Rental fees for gypsy and traveller sites:

These are increased annually by RPI at October. A notice period of 28 days must be given to tenants before charges come into effect and as a result a separate Director's decision has already been taken to enable the revised rents to be applied from 1 April 2018 (Decision PC51 refers).

REASONS:

In order for the Council to be able to deliver its services (statutory or non-statutory) it needs to raise income to supplement its budget. The Council is restricted in its ability to generate income by various legislation and statutory regulation. Most of the fee increases proposed in this report are to reflect increases in general cost of living (inflation).

OPTIONS CONSIDERED:

The proposed fee increases described above are necessary to ensure that current levels of services are maintained. The alternative would be to cut services. Fee increases are undertaken only after due process and deliberations at Management and Executive levels. As part of this process all options are considered and discussed. Once reviews have been undertaken within the Council, users are notified in writing.

FINANCIAL IMPLICATIONS:

The Medium Term Financial Plan includes an increase in budgeted income for 2018/19 across the People and Communities Directorate of £226k, the majority of which relates to Adult Care. The proposed revision of fees and charges is designed to meet this income target. There are risks associated with the revised fees as some of the service users who are impacted are the most vulnerable in community. Unrecoverable non-payment would increase the levels of debts held by the Council.

LEGAL POWERS AND IMPLICATIONS

Various legal powers allow the Council to make a charge for certain services. Charging decisions are fettered by a complex series of statutes and regulations. Services fall into five main categories for charging purposes. These categories are set out in the table below.

Category	Examples
No charge permitted	Service assessment for community care
Charges or charging scheme set by government – little or no local input	Client contributions for social services residential provision
Charging scheme set locally but must be in accordance with government prescribed principles	Client contributions for social services non-residential provision

Category	Examples
Charge set locally, but essentially income cannot exceed the cost of providing a service	Charge for a discretionary service with no other charging rules Charge for a service provided using the general power of competence

CONSULTATION

A general uplift of 1.25% on the council's income budgets has been reflected as a savings proposal within the medium term financial plan since December 2017 and as such has been subject to review, scrutiny and consultation by a wide range of internal and external stakeholders. The uplifts contained here are consistent with the Council's fees and charges policy.

RISK MANAGEMENT

There are risks associated with the revised fees as some of the service users who are impacted are the most vulnerable in community. Unrecoverable non-payment would increase the levels of debts held by the Council.

EQUALITY IMPLICATIONS

Over-arching EIA included within MTFP budget report.

CORPORATE IMPLICATIONS

Included as part of the Medium Term Financial Plan.

BACKGROUND PAPERS

Revenue Budget & Medium Term Financial Planning reports - Executive Dec 2017 and February 2018.
 Fees and Charges Policy – Executive February 2016.

SIGNATORIES:

DECISION MAKER(S):

Signed: 
 Director of People and Communities

Date: 27.3.18

Footnote: Details of changes made and agreed by the decision taker since publication of the proposed (pre-signed) decision notice, if applicable:

Appendix 1 – Housing Fees and Charges

Service being charged	2017/18 charge	2018/19 charge	2018/19 % increase
HMO Licensing - Additional (Fixed fee for the life of the scheme):-			
- Cost of licence for first 2 units of accommodation	£395.40	£395.40	0.00%
- Plus additional fee for each unit thereafter	£41.60	£41.60	0.00%
- Fit & Proper Persons Assessment (per person)	£34.70	£34.70	0.00%
- Cost recovery (per hr) when licensing works not completed (incl. 3 rd and subsequent visits)	£42.75	£42.75	0.00%
- Additional charge per building for failure to licence by enactment date	£200.00	£200.00	0.00%
Gypsy & Caravan Site Liaison Services:-			
- Initial Advice to Private Landowners on unauthorised encampments (1 hour - no visit)	Free	Free	0.00%
- Further advice on unauthorised encampment on private land (per hour)	£44.49	£45.05	1.26%
Non-Statutory Inspection Fees			
- Immigration inspection fee (plus disbursements)	£77.09	£78.05	1.25%
- Note that VAT is added to this fee and the total amount is in blue	£92.51	£93.65	1.23%
Other Housing Related Fees			
- Recovery of expenses in taking enforcement actions including Housing Act 2004 (per hour)	£44.49	£45.05	1.26%
- Supplementary Information following local searches (per enquiry)	£37.63	£38.10	1.25%
Homechoice			
- Fee per letting from RSLs	£52.28	£52.95	1.28%
- Multiple letting fee (for each unit in addition to the first charged at the rate above)	£10.00	£10.50	5.00%
Annual fixed charge - An annual fixed charge in relation to the HomeChoice service was introduced from April 2014 payable by the Registered Housing Providers (RPs) using the service and varying between RPs according to service utilisation by RP tenants. Charges for each Provider are reviewed annually. The total annual fixed charge will increase by 1.25%			

Service being charged	2017/18 charge	2018/19 charge	2018/19 % increase
Enabling:-			
- Fee per unit from housing providers (set sub-regionally)	£550.00	£550.00	0.00%
Sheltered Leasehold:-			
- Weekly management fee per leasehold unit	£45.88	£46.80	2.01%
Mobile Homes Site Licensing:-			
- New licence application fee	£505.24	£511.55	1.25%
- Plus fee per pitch	£33.31	£33.75	1.32%
- Fee to accompany application to transfer a licence	£222.75	£225.55	1.26%
- Fee to accompany an application to alter conditions	£280.46	£284.00	1.26%
- Annual Fee per pitch	£12.74	£13.05	2.43%
- Hourly rate for enforcement costs	£40.00	£40.50	1.25%
- Fee to deposit, vary or delete site rules (each)	£82.01	£83.05	1.27%

Fee Policy for Protected Sites Caravan Site and Control of Development Act 1960

Owner: Strategic Housing Service

Effective Date: April 2018
Review Date: March 2019
Version: 1

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Annex A – Elements included in fee setting

1. Executive Summary

This policy details the fee levels for functions associated with Park Home and Caravan site licensing under the Mobile Homes Act 2013. All fees are payable by the site owner.

The fees detailed in this document are:

New licence application fee £511.55 plus £33.75 per pitch
Fee to accompany an application to transfer a licence = £225.55
Fee to accompany an application to alter conditions = £284.00
Annual Fee = £13.05 per pitch
Hourly rate for enforcement costs = £40.50
Fee to deposit, vary or delete site rules = £83.05 each

These fees will be reviewed annually.

2. Introduction

The Caravan Site and Control of Development Act 1960 (CSCDA60) introduced a licensing system to regulate the establishment and operation of caravan sites.

The Mobile Homes Act 2013 (MHA13) gives protection to occupiers of residential park homes and caravans. The Act also controls the buying, selling or gifting of a park home and the pitch fee review process. There is an expectation that councils will inspect sites annually and use the powers to ensure compliance with site licence conditions. The council can charge a fee for different licensing functions. The legislation allows the council to serve enforcement notices and requires the council to publish any site rules relating to a site.

The MHA13 only apply to relevant protected sites. A relevant protected site is defined in section 5A (5) and (6) of CSCDA60 (as amended). Further guidance has also been issued by the Department for Communities and Local Government (DCLG) entitled 'Park Homes: Site Licensing, Definition of relevant protected sites' (January 2014), and lists the types of sites which would fall into the definition.

In summary:

'Any licensable caravan site is a 'relevant protected site' unless it is specifically exempted from being so'. A site is exempted if:

- It has planning permission or a site licence for exclusive holiday use
- There is a restriction on use as permanent residential ' DCLG 2014

Section 10A (2) of CSCDA60 (as amended) requires a local authority to prepare and publish a fee policy where they propose to charge for functions associated with the regulation of relevant protected sites.

Sites which do not fall within the definition of 'relevant protected sites' are still subject to the licensing requirements contained with the CSCDA60, but the provisions relating to payment of fees do not apply.

This policy details the level of fees North Somerset Council will charge site owners in relation to the different functions covered by the Act.

The fee levels have been calculated based on the estimated time and cost involved in undertaking the activities. The costs include officer time and overheads, Annex A 1 details what the council can consider in calculating the fee levels. Regard has been had for Department for Communities and Local Government guidance 'The Mobile Homes Act 2013, a Guide for Local Authorities on setting site licensing fees' (February 2014) in the production of this policy.

The fee rates set out in this policy cover the period 1 April 2018 to 31 March 2019 and each section details when a fee is payable. Where fees have been increased the figure used is 1.25% with the exception of annual fees, in line with council policy and may include rounding.

3. Application for a new licence

All sites (subject to exemptions contained within the Act) require a site licence to operate. Failure to apply for a licence is an offence under Section 1(2) of CSCDA60. Section 3(2A) of the amended Act allows the local authority to require a fee to accompany applications for licences, and this should accompany any new application. The council may only issue a licence for a site with a valid and correct planning permission for the land. Any application made before the planning permission has been awarded must be processed within 6 weeks of the planning decision. Sites which already have the correct planning permission in place must be processed within two months of the licence application.

The fee below reflects the fixed costs which would apply to any new licence application plus an amount per pitch to reflect the variation in the cost of processing the application according to the size of the site.

This fee is increased by inflation only.

New licence application fee = £511.55 plus £33.75 per pitch

4. Transfer of an existing licence

Where a licence holder wishes to transfer the licence an application must be made to the council, for which a fee is payable (section 10(1A) of Caravan Site and Control of Development Act 1960 (as amended) allows for the local authority to charge a fee). The fee must accompany the application to transfer the licence.

No new applications were fully processed during the previous financial year; therefore this fee has not been reviewed and has been increased by inflation only.

Fee to accompany an application to transfer a licence = £225.55

5. Alteration of Conditions on an existing licence

Where a site owner requests a variation to site licence conditions Section 8(1B) of the Caravan Sites and Control of Development Act 1960 (as amended) allows the council to charge a fee for this function.

Applications can be made by licence holders to vary or cancel conditions. The fee is payable at the application stage.

If the council deem it necessary to alter conditions there will be no fee payable.

No new applications were received during the previous financial year; therefore this fee has not been reviewed and it has been increased by inflation only.

Fee to accompany an application to alter conditions = £284.00

6. Annual fees

All relevant protected sites must pay an annual fee to the council (subject to any exemptions stated in this policy). The fee is due on 1 April 2018.

The annual fee covers the costs associated with an annual site inspection to ensure compliance with the site licence conditions and a follow up visit to ensure compliance with any informal schedule of works. If there is still a breach in site licence condition at the point of the follow up visit further charges may be payable to cover the cost of any enforcement action which may be taken. Further details can be found in section 7 - Enforcement Action.

The fee is calculated on a price per unit based on the total estimated cost to the council of carrying out its annual licensing function for all sites in the district. The unit cost is multiplied by the actual number of units on each site to provide the annual fee payable. DCLG guidance has been considered and this approach adopted as it is considered to offer the most transparency and fairness to both residents and site owners.

All tasks involved in this process have been time monitored during the previous financial year to ensure accuracy in fee setting. The council is not permitted to make a surplus from this function section - 5A (2) of the Act requires all surpluses and deficits to be carried forward from the previous financial year and included in the fee policy for the following year.

Exemptions from Annual fees

Sites where there is only one unit are excluded from the annual licensing fee.

This category of site is exempt from the annual licensing fee as the council does not intend to carry out annual inspections of these sites, however, any complaints would be dealt with as appropriate.

Charging arrangements

Section 10A (5) of CSCDA60 (as amended) states the fees policy must include provision about the time at which the fee is payable. For the purpose of this policy the period covered by the annual fee will be 1 April to 31 March each financial year. Invoices will be sent to licence holders of relevant protected sites at the start of the financial year and payment will be due within 30 days.

Where a new site licence is issued part way through the year the annual fee will also be due in the same year. An invoice will be sent after the licence has been granted for the pro-rata amount.

Where an amended licence is issued part way through the year (which included either additional units or a reduction in units), the change in annual fee will be calculated on a pro-rata basis for the remainder of the year and any changes reflected in the following years annual fee.

In the event an annual fee is not paid within the terms of the invoice the council may apply to the First Tier Tribunal (Property Chamber) for an order requiring the licence holder to pay the amount due.

2017/18 Summary

Deficit from 2016/17	£459
Estimated service delivery cost 2017/18	£12,076
Estimated total cost	£12,535
Actual cost to the council 2017/18	£12,390
Deficit from 2016/17	£459
Total cost 2017/18	£12,849
Income received 2017/18 – annual licensing fee	£12,523
Deficit 2017/18	£326

Annual Fee 2018/19

Deficit from 2017/18	£326
Estimated service delivery cost 2018/19	£12,541
Estimated total cost 2018/19	£12,867

Annual Fee = £13.05 per pitch.

7. Enforcement action

If it comes to the attention of the council that there is a breach in site licence conditions, the Council may serve a compliance notice. Section 9C of the CSCDA60 (as amended) details the elements which a local authority may include when imposing a charge for enforcement action. For example, the duration of time it takes in deciding to serve and prepare a notice. A detailed breakdown of the relevant expenses would be provided with the compliance

notice. Charges would be based on the hourly rate detailed below, in addition to any other costs incurred. This rate has been increased by inflation.

Hourly rate for enforcement costs = £40.50

If any works in the compliance notice are not carried out the licence holder commits an offence and the local authority may consider taking legal proceedings. Any costs associated with this process would be at the discretion of the court.

If any prosecution were successfully taken, the council would have the power to carry out the works in default of the licence holder. An administration cost of 20% would be added to the cost of the works.

8. Fees for depositing, varying or deleting sites rules

Site rules are different to the site licence conditions and are put in place by the owner of a site to ensure acceptable standards are maintained which will be of benefit to occupiers or will promote and maintain community cohesion on the site. The MHA13 sets out the way site rules must be agreed between both parties. The council must keep an up to date register of site rules on relevant protected sites and publish the register on-line.

The MHA83 (as amended by the MHA13) allows the council to charge a fee for depositing, varying or deleting site rules subject to regulations.

Any site rules deposited with the local authority for the first time or applications to vary or delete existing site rules must be accompanied by the appropriate fee. The fee is the same for either a first deposit or for a subsequent variation or deletion. This is because the process will be very similar for all three types of deposits. This fee has increased by inflation.

Fee to deposit, vary or delete site rules = £83.05 each

9. Revising the fee policy

The fees detailed in this policy have been determined based on experience of dealing with site licensing historically and time monitoring of different tasks carried during the last financial year.

This policy will be reviewed no later than March 2019.

Annex A

The DCLG guidance sets out the activities that the council can include when calculating its annual fee, these include:

- letter writing/ telephone calls etc. to make appointments and requesting any documents or other information from the site owner or from any third party in connection with the licensing process;
- handling enquiries and complaints;
- updating hard files/ computer systems;
- updating the EU Directive website if appropriate;
- processing the licensing fee;
- time for reviewing necessary documents and certificates;
- downloading photographs;
- preparing reports on contraventions;
- review by manager or lawyers
- review any consultation responses from third parties;
- carrying out any risk assessment process considered necessary
- a pre- programmed full site inspection;
- a follow – up inspection to check compliance following programmed inspection

