

BIRMINGHAM CITY COUNCIL

REPORT OF THE ASSISTANT DIRECTOR - HIGHWAYS TO THE LICENSING & PUBLIC PROTECTION COMMITTEE

20TH APRIL 2016
ALL WARDS

REVIEW OF CHARGES FOR HIGHWAY SERVICES FOR 2016/17

1 SUMMARY

- 1.1 This report deals with the annual review of fees and charges for Highway Services within the delegations of this Committee.

2 RECOMMENDATIONS

- 2.1 That the fees and charges set out in Appendix 1 are approved as follows:
- City Council retained fees and charges with effect from 20th April 2016
 - Highways Maintenance and Management Private Finance Initiative (HMMPFI) Service Provider retained fees and charges with effect from June 7th 2016

3 BACKGROUND

- 3.1 The City Council's Financial Regulation 15.2 requires that Chief Officers, at least annually, report to and seek approval from Committee on a review of fees and charges levied for services provided. The last review for Highways Services was approved by the Public Protection Committee on 15th April 2015.

- 3.2 Following commencement of the Highway Maintenance and Management PFI Contract in June 2010, specific permits, under the legislation shown in Table 1 below, are prepared by the Council's Highway Maintenance and Management Service Provider, Amey.

Under the terms of the Highway Maintenance and Management PFI Contract, Amey is entitled to retain the fee / charge associated with the issue of certain permits as defined in Table 1;

Table 1. Recipient of fees and charges

Statutory Basis	Fee Recipient
Highways Act 1980:	-
Section 115E – Street Cafés	Authority
Section 139 – Placement of Skips in the Highway	Authority
Section 142 – Plant and Maintain Trees Shrubs etc. in the Highway	Authority
Section 169 – Scaffolding and Cranes	Service Provider
Section 171 – Deposit of materials on the highway	Service Provider
Section 172 - Hoarding	Authority
Section 177 – Oversailing the Highway	Service Provider
Section 184 – Carting Over (Temporary Access)	Service Provider
New Roads and Street Works Act (NRSWA) 1991:	-

3.3 The key points in relation to this are:

- For those permits where Amey retains the fees, this is at a level agreed between the City Council and Amey;
- The setting of the levels of fees and charges retained by the Authority for such permits ultimately remains a matter for this Committee;
- The contract restricts the maximum level of increase that Amey may request to the previous rate plus the HMMPFI contractual index (RPIx). This increase is contractually linked to the contract anniversary in June of each year; This increase is capped at 1.41% for 2016/17 but may be rounded up for clarity.
- Those fees and charges received by the Service Provider are therefore contractually controlled and are not able to be amended by the committee. They are included for the committee to note.

4 PROPOSALS

- 4.1 The fees and charges covered by this report have been reviewed in line with the Corporate Charging Policy. It is proposed to increase these fees and charges by at least the level of inflation.
- 4.2 The fees and charges have been compared to those of neighbouring West Midlands local authorities and UK Cities for similar services. The picture between different authorities is a varied one, with some different charging structures and different charges. The proposed charges are not significantly disparate to those of other authorities.
- 4.3 Fees for Highways Permits have been amended in order to reduce abortive work and costs. Last year's (2015/16) Fee and Charges introduced a cancellation fee which has proved difficult to levy without great effort for what is a relatively small charge. This fee is removed.
- 4.4 To reduce the level of abandoned applications, it is now proposed to charge the customer a non-refundable fee of £75 for certain licenses (see appendix 1). This is deducted from the overall fee, with the remainder, typically £140, paid on approval. It is envisaged this will reduce abortive applications as the customer is invested in the process. It will also increase revenue by up to £65,000 between the Authority and the Service Provider to ensure costs are recovered.
- 4.5 Where the permit is abandoned, not completed or granted, The Service Provider is not entitled to claim the Application fee under contract therefore the fee will remain with the Authority.
- 4.6 Where the permit is granted, the £75 Application Fee plus the appropriate Permit Fee, e.g. £140 or £355 in appendix 1, will constitute 'the fee' under clause 35.21.2.3 in the BHMPFI contract in particular clause 35.21.2.3(b). The total value meets the indexation obligation as pointed out in 3.3 above.
- 4.7 A license to allow trees shrubs and vegetation to be planted in the highway has been omitted from previous reports but is now included.

5 IMPLICATIONS FOR RESOURCES

- 5.1 Based on estimated usage of services, it is envisaged that implementation of the proposed fees and charges will generate sufficient income to meet budgeted income levels for 2016/17 The proposed fees and charges outlined in appendix 1 are estimated to increase income to the City Council by £54,000 which will cover the associated increase in costs .

6 CONSULTATION

A draft version of this report was presented to the Deputy Leader's Star Chamber on 11th March 2016. Senior officers and the Cabinet Member for Development, Transport and The Economy have also been consulted.

7 IMPLICATIONS FOR POLICY PRIORITIES

- 7.1 The recommendations contained within this report are in accordance with Financial Regulations, the requirement to balance the Budget and the Corporate Charging Policy.
- 7.2 The extent to which the charges for the services covered by this report comply with the detailed requirements of the Corporate Charging Policy identified attached in Appendix 2.

8 IMPLICATIONS FOR EQUALITY AND DIVERSITY

- 8.1 No specific implications have been identified.

Appendices:

- Appendix 1: List of Proposed Revised Fees and Charges
- Appendix 2: Compliance with the City Council's Corporate Charging Policy

Background Papers:

- Corporate Charging Policy

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CONSIDERATION OF POLICY REQUIREMENT OF CORPORATE CHARGING POLICY

POLICY REF	CORPORATE CHARGING POLICY REQUIREMENT	LICENSES AND PERMITS
3a	Distinguished between controllable & non-controllable charges (Set by Government)	Controllable
3b	Considered/identified subsidies	No subsidies
3c	Budget adjusted to reflect policy objectives	Not applicable
3d	Differential charging considered	Not applicable
3e	Charges compared with competitors	Not Applicable
3f	Maximises income, covers full cost	Covers cost
4	Discretionary services not charged for considered	Not applicable
6a	Charges simple to understand and administer	Yes
6b	Service users understand charges / payment method before service provided	Yes
6c/d	Method of payment considered	Yes
7a	Charges updated at least annually	Yes
7b	Charges take account of what market will bear	Yes, where applicable
7c	3 year Corporate Review of concessionary schemes	Not applicable