

Appendix - County Highways Fees & Charges Review

Background and Context

The Local Authority (Transport Charges) Regulations 1998 gave the Authority the power to charge for specified functions. The regulations addressed the view that persons benefiting by the issue of licenses, permits etc. should pay the cost of the service, rather than this being borne by the community at large via Council Tax.

Charges are at the discretion of the Local Authority but require us to have regard to the cost of dealing with the matter.

The fees and charges for issuing licences or consent were last reviewed in 2004/05 and have not been re-visited since.

Summary Statement

The One Organisational Plan (OOP) 2020 clearly sets out the Council's vision and priorities. In support of OOP 2020 is the medium term financial savings plan which requests a review of highway fees and charges. The savings plan identifies the potential to generate income by an increase in the fees payable for licences and permits, including skips, scaffolding, street café licenses and vehicular access requests.

Highway Licences in Scope

Skips – licence to place a builder's skip on the public highway.

Temporary structure – licence to erect scaffolding, hoarding, access arm or crane that encroaches on the public highway.

Vehicular crossing - permission required before a footway crossing can be installed. A footway crossing is formed by lowering the kerbs to allow residents to drive a vehicle across the footway to gain access between their property and the public road.

Street Café - A street cafe is one or more tables and chairs placed on the street that is serviced from a building for the purpose of allowing patrons to sit, eat and drink.

Benchmarking

It is particularly important to ensure in the current financial climate that prices are competitive with the market and that services are not being inappropriately subsidised.

Where information is available the charges of adjacent authorities have been considered. Warwickshire's charges are on average 65% lower than those levied by our neighbours.

Option Appraisal

In general the charges levied by the Council do not reflect the recovery of the full costs involved in administering licences and permits. Appendix A shows a table summarising the options proposed for revising the current charges in line with the following:

- Maintaining the current charges
- Charges if inflation (RPI) had been applied annually since the last review
- Charges in line with recovering the authorities costs

Future Actions

The charging model and structure used by Warwickshire for Street Café licences has not been reviewed for some time. Most of our nearest neighbours use an alternative charging model which would generate higher income in a more equitable way.

There are many different models and prices employed across authorities. They range from a single charge, like Warwickshire, to multiple tiered charges based on numbers of tables and seats or the area of public highway occupied.

Warwickshire's current charging model could be perceived to be unfair with large multinational chains with considerable volumes of tables and chairs paying the same charge as small independent businesses with one or two tables.

In addition a recent survey records that 30% of outlets displaying a street café are doing so without the requisite licence.

County Highways propose to review the charging model for café licences in 2019 to ensure a more equitable and inclusive structure in 2020/21.

Recommendations

- 1) Approval be given for highway service fees and charges to be increased from 1 April 2019 to recover the cost to the service, as per option 2 in the Appendix to the report.
- 2) All charges for highways services continue to be reviewed annually to allow for inflation.

Appendix A

| | Skips | Temporary Structure | Vehicular Crossing | Street Café | |
|---|--------------|----------------------------|---------------------------|--------------------|-----------------|
| Current Charge | £25 | £100 | £75 | £100 | |
| Option 1 - Inflation Increase | £37 | £145 | £113 | £146 | |
| Option 2 - Cost of Recovery | £61 | £142 | £121 | £120 | |
| Number of Licences Issued 2017/18 | 1,835 | 363 | 723 | 86 | |
| Revenue Generated 2017/18 | £45,875 | £36,300 | £54,225 | £8,600 | |
| Potential Additional Revenue Generated | | | | | |
| Option 1 - Inflation Increase | £22,020 | £16,335 | £27,474 | £3,956 | £69,785 |
| Option 2 - Cost of Recovery | £66,060 | £15,246 | £33,258 | £1,720 | £116,284 |