

# CABINET

Agenda Item: 8

**Ward:** All

**Portfolio:** Services and Finance

**Report Author(s):** Interim Manager Corporate Support Services

**Meeting Date:** 23.05.16

**SUBJECT:** Fee Revisions to the Local Land Charges Services 2016-17

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Report Sign off	Seen by:	Name	Date
	Legal	Donna Nolan	04.05.16
	Finance	Paul Deal	10.05.16
	Procurement	NA	
	Corporate Manager	Donna Nolan	04.05.16
	Portfolio Holder	Cllr Parham (Cllr Killen)	09.05.16
	Ward Member(s)	NA	
<b>Summary:</b>	The corporate fees and charges report that came before Cabinet in April 2016 recommended that as a result of a number of proposed national changes, Local Land Charges Fees were held until 1 <sup>st</sup> July 2016. Those changes are now confirmed so this report sets out the proposed Local Land Charges fees and charges for 2016/17 from 4 <sup>th</sup> July onwards.		
<b>Recommendation:</b>	That Cabinet approves the revised fees and charges to the Local Land Charges Service from 4 <sup>th</sup> July onwards		
<b>Direct and/or indirect impact on service delivery to our customers and communities:</b>	Provided full cost recovery is achieved there will be no impacts as a result of this report		
<b>Legal Implications:</b>	Cabinet is the decision making body for setting the fees and charges to be levied. Therefore any alterations to charges which are under the control of Mendip District Council must be approved by Cabinet before they are instigated. This report will assist with any challenge to fees by providing a robust costing to justify the fees charged.		
<b>Financial Implications:</b>	The proposed fee levels are set to maximise income within the parameters of the relevant legislation and guidance.		
<b>Value for Money:</b>	In setting the fees and charges for 2016/17 we have taken into account issues of affordability and income yield within the parameters of the relevant legislation and guidance.		

<b>Equalities Implications:</b>	Fees are charged on an equal basis to all service users, the levels are influenced by the parameters of the relevant legislation and guidance.
<b>Risk Assessment and Adverse Impact on Corporate Actions:</b>	<p>The proposed fees are set within the context of the corporate approach to fees and charges 2016-2017 namely:</p> <p>Fees are set to provide a sustainable income to the Council. Failure to set appropriate charges would have a direct impact on the tax payer, in that:</p> <ul style="list-style-type: none"> <li>• Charges set too high would cause both benchmarking issues and prevent some individuals and groups from receiving the services. Where fees are potentially competitive high charges may adversely affect both income to the council and the viability of local communities.</li> <li>• Charges set too low will prevent the Council from maximising its use of financial resources.</li> </ul>
<b>Scrutiny Recommendation (if any)</b>	TBC

## INTRODUCTION

The Council has three key principles for setting charges:

- First, the charging arrangements for any service must meet the full cost of providing the service and include sound arrangements for income collection, in line with the Councils constitution and Medium Term Resource Strategy. The full cost of provision includes a share of central costs and a forecast for the effects of inflation.
- Second, the Council must comply with all legal requirements for setting charges and income generation. Where appropriate, this will override other factors to ensure the Council is not exposed to the risk of legal challenge.
- The Council also recognises that these two principles may need to be balanced against other relevant factors. The appropriateness of charges set may be dependent on the wider aims and context of the service. Relevant factors are set out below and officers must consider all these factors and assess their relative importance when setting charges for individual services:
  - a) Charging decisions will be taken in the context of the Council's goals and values as set out in its Corporate Strategy;
  - b) Access, affordability and elasticity of demand should be fully considered;
  - c) Consistency with the Council's principals of Value for Money, Equalities and Customer Access, e.g. consideration should be given to any disproportionate impact on vulnerable groups and those least able to pay;
  - d) Where services are provided on a trading basis, charges will be set at the maximum level the market can sustain without eroding demand to a point at which the overall financial position of the service offering is weakened;
  - e) Benchmarking with comparable local authorities and where charges are identified as being significantly lower than in other comparable authorities, increases should be fast tracked in order to bring them in line.

This report sets out the proposed fees and charges for the Local Land Charges Service 2016/17.

## CONTEXT

The Local Land Charges service is a cost recovery service and the fees and charges are set accordingly. A number of service changes are being introduced on 4<sup>th</sup> July that will dictate a change in how the fee levels are established.

1. A recent decision by the European Court in the case of East Sussex County Council v Information Commissioner has implications on the ability of local authorities to charge for the supply of information via CON29 searches. There is now a greater restriction on what costs a local authority can recover under the Environmental Information Directive and as such our fees (and those collected on behalf of the Highways Authority) will need to be amended

2. Her Majesty's Revenue and Customs (HMRC) has recently decided that CON29 searches submitted to the local authorities are considered to be refined data and are

therefore subject to VAT at the standard rate of 20%, as such our fees will need to be amended and the VAT element itemised.

3. The Law Society produces standard local search forms that are accepted by all local authorities, new CON29 forms will be introduced on 4<sup>th</sup> July 2016. As a cost recovery service the fees are calculated via the average time it takes to answer an individual question contained within the standard forms. As the forms and questions are changing our fees will need to be amended to reflect this change.

It is the advice of the Local Land Charges Institute (LLCI) that changes to fees should be kept to a minimum. Therefore it was decided to freeze our 2015/16 fee levels until 4<sup>th</sup> July 2016 to take into account the changes introduced under items 2 and 3 above.

The following summary table sets out the proposed Local Land Charges fees from 4<sup>th</sup> July 2016 onwards:

	<b>2015/16 Fee</b>	<b>Proposed 2016-17 Fee</b>
Standard Search (LLC1+ CON29R)	£142.29	£134.83 (inc VAT)
LLC1 Only	£35	£44.19
CON 29R	£107.29	£90.64 (inc VAT)

## **RECOMMENDATIONS**

That Cabinet approves the revised fees and charges to the Local Land Charges Service from 4<sup>th</sup> July onwards

## **REASONS FOR RECOMMENDATIONS**

The revised fees allows the Local Land Charges Service to continue to operate as a cost recovery service while complying with a number of recent legislative and procedural changes.

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**List of background Papers:**  
Full fee breakdown table