



Belfast City Council

Report to:	Transition Committee
Subject:	Service Convergence - Pricing
Date:	29 th January 2015
Reporting Officer:	Ronan Cregan, Director of Finance and Resources
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1	Background
	<p>The purpose of this report is to:</p> <ul style="list-style-type: none"> (i) Update Members on work undertaken to ensure service continuity as part of the boundary extension - specifically to ensure, that where practical, ratepayers and service users feel no, or limited, impact from the boundary extension in relation to pricing; (ii) Recommend to Members a general approach to the convergence of prices; and (iii) Recommend phased transitional arrangements where the general approach would lead to a significant increase in pricing.

2	Key Issues
2.1	Ratepayers transferring from Lisburn and Castlereagh will face an increase in their rates bill as a result of convergence in 2015/16. It is therefore important that the Council considers the impact of converging prices for comparable services for transferring areas to ensure that where practical no further adverse impact for ratepayers or customers arises from local government reform.
2.2	As part of the service convergence (boundary extension) preparations and engagement with Lisburn City Council (LCC), Castlereagh Borough Council (CBC) and North Down (ND), it had become apparent that the scope of services, and associated scale of charges (prices) applied across the councils differ. It was also apparent that whilst each council delivered similar services, they do not deliver them in the same way, and it is therefore difficult to undertake an exact like-for-like comparison.
2.3	<p>Further analysis undertaken by BCC Officers on prices relating to services provided by Belfast, Lisburn, Castlereagh and North Down, indicated that the Belfast level of charge is generally lower than that of the other Councils.</p> <p>As a general principle, it is therefore proposed to apply Belfast prices to transferring areas which will mean that in the majority of cases transferring users and residents will experience a reduction in service prices.</p> <p>The analysis identified that for street trading licences the Belfast service charge is significantly higher than that of the transferring area and in these circumstances it is proposed that a phased approach will be taken to the introduction of the Belfast prices.</p>

	Scope of Fees & Charges
2.4	<p>Members will be aware that the Council currently applies a range of fees and charges for various services as set out below:</p> <ul style="list-style-type: none"> • Many fees are statutory in nature, such as Entertainment Licences and Births, deaths, Marriages and Civil Partnership registration. • Other charges are discretionary in nature and are applied to contribute to the cost of service provision, often subsidised in part by the rate. For example outdoor leisure. • Some services trade using a commercial model (e.g. commercial waste collection). • Please be aware that Belfast Zoo, Malone House, Waterfront Hall, Ulster Hall and Belfast Castle are not included within the scope of this report as there are no comparators in the transferring areas.
	2015/16 Rate Setting Context
2.5	<p>The price comparison information included in this report is based on the 2015/16 pricing assumptions included in the revenue estimates for 2015/16.</p> <p>Any further proposed changes to BCC pricing would be considered as part of the 2016/17 revenue estimates cycle, and in-line with the proposed Pricing Policy due to go to committee in February.</p>
	Service Continuity & Bookings
2.6	<p>In the interest of business continuity, Belfast have agreed to honour any bookings taken by LCC/CBC that transcend 01 April 2015. This mainly relates to outdoor leisure arrangements.</p>
	Baseline Assessment - service provision, and associated pricing
2.7	<p>Attached at Appendix 1 is a detailed baseline assessment undertaken which compares, where possible, those Belfast City Council services, and associated pricing applied, to similar services provided by LCC, CBC and ND. It seeks to identify any differentials in pricing which need to be managed as part of the service convergence process.</p>
2.8	<p>The detailed analysis identified one instance where a significant difference may be experienced if the Belfast price is applied to street trading licenses; there are minimal variances in the majority of charged services provided.</p> <p>Significant is defined as being a sudden and adverse increase in price for recurring services, as a direct result of the boundary extension, when converging the transferring area price to the Belfast price.</p> <p>Where the difference in price is higher for one off services, the Belfast rate will apply.</p>
2.9	<p>Indoor Leisure</p> <p>In relation to pricing for Indoor Leisure, GLL (Greenwich Leisure Limited), as part of their contract, have committed to honouring Belfast City Council's current core and concessionary prices within for the first 9 months from the commencement date, and not to introduce any changes without written consent of Council, except the discretion to apply a rate of inflation increase already agreed by Council. GLL will operate the Brook Activity Centre, Belvoir Activity Centre, and Robinson Centre which are due to transfer on 01 April 2015.</p>
3	Resource Implications
	<p>The assumptions applied by services in relation to pricing convergence have been considered within the context of the 2015/16 revenue estimates.</p>

4	Equality and Good Relations Implications
	<p>All recommendations outlined will be taken forward within the context of the Council's equality and good relations frameworks. Communications in relation to pricing will be as per all existing Council processes and channels (e.g. City Matters, website).</p> <p>Members are asked to note that BCC have historically adopted a greater level of enforcement when compared to LCC/ CBC. To effectively manage the knowledge gap with residents and traders, Officers propose to implement an awareness and educational approach in the first instance to inform residents and traders about BCC's proactive approach to enforcement and provide guidance on how to be compliant.</p>

	Recommendations
5	<p>In order to ensure service continuity as part of the boundary extension, specifically to ensure that ratepayers and service users feel no, or limited, impact from the boundary extension in relation to pricing, the following approach is recommended:</p> <p>(i) Apply Belfast prices as of 1st April 2015 to all comparable services except where there is a significantly higher price in Belfast.</p> <p>This would mean:</p> <ul style="list-style-type: none"> • BCC services will continue with one pricing model which will reduce administration and potential confusion for customers and officers. • Where the Belfast price is lower and is applied, transferring residents will automatically experience a saving for a continuing service. • This recommendation would apply to the majority of BCC services including: <ul style="list-style-type: none"> - Environmental Health - Waste Management - Cleansing (commercial waste, bulky household waste collection) - Outdoor leisure (includes pitches, allotments) - Community Centre use of facilities <p>(ii) Apply a phased approach (over a 4 year period) to the price increase, where the Belfast price would be significantly higher</p> <ul style="list-style-type: none"> • The phased approach will ease the cost increase to former LCC/CBC/NDBC residents • The approach will mirror the regional rates convergence scheme (i.e. support applied on a decreasing basis over 4 years) • This recommendation would apply to one main service area: <ul style="list-style-type: none"> - Street Trading Licenses <p>Agree to the scale of charges as set out in Appendix 2</p>

6	Call In
	This decision is subject to Call In.

7	Documents attached
	<p>Appendix 1: Summary of the analysis undertaken</p> <p>Appendix 2: Scale of Charges</p>

APPENDIX 1: Set out below is a summary of the analysis undertaken

Department	BCC	CBC	LCC	NDBC
Chief Executive's	Registrar's - Births, Deaths, Marriages & Civil Partnerships: Fees are set by the General Registrar's Office (GRO), therefore no differences. - Ceremony Venues: Some non-significant differences have been identified.			
Development	- Community Services (use of community centres): - Booking is a Monday- Friday service model. - Prices are based on room size and type (e.g. Meeting Room, Main Hall, Kitchen etc - Community organisations can book community centres with no charge. - Commercial organisations are charged a higher rate	- Affects five transferring assets (i.e. Cregagh, Tullycarnet, Downshire, Braniel & Clonduff Community Centres) - Prices include weekend opening, and include categories such as 'community block booking, private peak/ off peak, older persons rate, community voluntary' etc.	- Room hire bookings are available for only one transferring asset i.e. Fullerton Park Pavilion); - Causal community bookings are rare as the building is mainly used by a limited number of regular groups.	N/A
	SUMMARY <ul style="list-style-type: none"> The service delivery models for use of Community Centres vary greatly and therefore it is difficult to compare prices on a like-with-like basis. Notwithstanding, BCC prices for usage of facilities are generally lower. 			
Property & Projects	- Rent for Premises: - As part of normal practice, standard BCC evaluation criteria are applied when rents for premises are due for renewal (e.g. market conditions, size, building condition, location)	- Affects a number of transferring premises such as e.g. Lock Keepers Inn, Greenway Women's Centre, Henry Jones Playing Fields and lands at Ladas Drive.	N/A	N/A
	SUMMARY <ul style="list-style-type: none"> As per normal estates management practice, BCC will uphold any rates and contractual obligations until their end dates, at which stage a review will be conducted. 			

	BCC	CBC	LCC	NDBC	
Health & Environmental Services	Apartment Block Eurobin Solutions	No equivalent service provided	No equivalent service provided	No equivalent service provided	
	Black Bin Replacement (140Ltre) (£12.00)	Higher Charge (£39.00)	No equivalent service provided	Higher Charge (£22.50)	
	Bulky Waste Collection (Free)	Higher Charge (£10.00)	Higher Charge (£64.00)	Higher Charge (£25.00)	
	Home Compost Units (£10.00)	Lower Charge (£5.00)	Lower Charge (£5.00)	No equivalent service provided	
	Tattoo Business Registration (£25.00)	Higher Charge (£75.00)	Same Charge (£25.00)	Same Charge (£25.00)	
	Cosmetic Business Registration (£25.00)	Higher Charge (£75.00)	Same Charge (£25.00)	Same Charge (£25.00)	
	STREET TRADING (examples only)				
	Mobile Licence Application Fee (£120.00)	N/A	Lower Charge (£90.00)	Lower Charge (£38.00)	
	Mobile licence Fee – Mon to Sun (£882.00)	Lower Charge (£342.00)	Lower Charge (£325.00)	Lower Charge N/A	
	<p>SUMMARY</p> <ul style="list-style-type: none"> The differentials above in relation to Street Trading Licensing Fees are significant in nature (<i>Significant</i> is being defined as being a sudden and adverse increase in price for recurring services, as a direct result of the boundary extension, when converging the transferring area price to the Belfast price. Estimated to affect 8 mobile traders based on LCC data. 				

Department	BCC	CBC	LCC	NDBC
Parks & Leisure	<ul style="list-style-type: none"> - Prices for the use of facilities within Parks and Leisure Services (indoor and outdoor) are historically reviewed annually, reflecting the costs associated with each individual activity, and inflation. This includes pitches, bowling greens, allotments and cemeteries. - Historically the Department has applied discounted charges/ concessions for various categories of users. - Parks are currently consulting on a Pitches Strategy and as such may introduce community or discounted charges on a pilot basis in 2015/16. 	<ul style="list-style-type: none"> - Affects a number of transferring assets including the Robinson Centre, Belvoir Activity Centre, Albert Drive Allotments and a number of parks and open spaces. - Prices are reviewed annually reflecting costs of activities. - Historically in relation to leisure activities and gym memberships there are broadly no discounts offered to juniors (15 and under), pensioners, those who are on income support/ unemployed or have a disability. - Some community/ voluntary and older persons rates are offered to hall and meeting room bookings. - Note: Some of the transferring assets are allocated as 'non-bookable' community facilities (i.e. Braniel Football Pitch, Tullycarnet Bowling Green, Cregagh Green open space/ pitch) 	<ul style="list-style-type: none"> - Affects Brook Activity Centre (which includes grass and 3G pitches), and also Fullerton Park. - Prices are reviewed annually reflecting costs of activities. <p>Historically in relation to leisure activities and gym memberships there are broadly no discounts offered. However, in relation to pitch bookings at Brook Activity Centre they operate peak/ off peak, also concession charges. The centre does not operate on Sundays.</p>	N/A
<p>SUMMARY</p> <ul style="list-style-type: none"> • The pricing models for indoor and outdoor leisure vary greatly and therefore it is difficult to compare prices on a like-with-like basis. • Notwithstanding, BCC have captured information on arrangements currently in place in relation to pitches, allotments and with the Robinson Centre, Belvoir Activity Centre (CBC) and Brook Activity Centre (LCC). This indicates that Belfast prices are historically lower. 				

