

2016/17 Fees and Charges

To approve an increase in court costs fees in respect of Business Rates from 1st April 2016 to £70 for a summons and £82 for a liability order, total amount £152. The charge is currently £129

Local Land Charges Institute (LLCI) Update

HMRC will confirm its decision that VAT will become payable on all income derived from the CON 29 R and O products.

VAT will be levied at the rate of 20% on the income received on the (local land searches) CON29 R and O (and we believe the associated additional parcels of land fees). The LLC1 fee will NOT attract VAT because it provided by local authorities under a special legal.

Due to the timing of the next meeting, at which LLCI expects HMRC to confirm its decision and the implementation date of 1st February 2016, LLCI's best advice is to assume VAT will be implemented with effect from 1st February.

LLC Officers will need to consider a number of issues including

- Will the Council be levying the VAT?
- What if any Council approval is needed if the fees are to be increased.
- How VAT receipts will be issued.
- Discussions with software suppliers where necessary.
- Any changes to accounting practices.
- Preparing communications to solicitors.
- NLIS and others regarding any changes in fees.
- Give thought to how you will deal with searches received with incorrect fees, LLCI's advice is that in the best interest of customer service, authorities do not reject searches but instead request the balance due.

This will be a change that the industry as a whole has very little time to prepare for and implement.

We are advised that in line with standard practice, no official notification of HMRC's decision will be issued but that the minutes of their meetings are a public document. LLCI will be notified as soon as possible by our colleagues on the CIPFA VAT Committee as to the outcome of the meeting. LLCI will notify you immediately when we are informed.

LLCI will be writing to the Law Society to update them.

We will, along with the LGA, Land Data and colleagues in Finance, continue to do all we can to argue that VAT should not be applied to the CON 29 R and O.

Notwithstanding those arguments and the fact that this proposal has been under discussion for some time, LLCI is extremely concerned at the lack of formal notice from HMRC and at HMRC's apparent insistence that such a significant change for local authorities and their customers should be implemented in an unreasonably short timescale and with no detailed guidance. LLCI is concerned that, given the usual and not unreasonable lead-in times for software suppliers to change their systems, many local authorities will struggle to implement the changes on February 1st. Given the introduction of the new CON29 form in July this year, LLCI regrets that HMRC may not delay the introduction of VAT until either April or July. LLCI recommends that this year local authorities avoid where possible changing their fees more than once to incorporate VAT and once to reflect the requirements of the new CON29.

Presently this income is paid non-vatable. Therefore in essence customers would see a 20% increase if the net fee (£88 each) remains unchanged. The fee is set locally and supposed to be fee recovery. We are proposing to charge the VAT on top of the current charges.

Estimated average income per year from Con29 is £120k

Community Learning & Skills Service - w/e from 1st August 2016

Activity	Existing fee	Proposed fee	Concession	% increase
ESOL – English for Speakers of other languages	£2.50 per hour	£3.00 per hour	Free if unemployed plus other approved categories	20%
IT related qualifications	£2.50 per hour	£3.00 per hour	50% reduction	20%
Personal Development and wellbeing programmes	£3.75 per hour	£4.25 per hour	50% reduction	20%
Note* - Initial engagement and preparation for employment activity, English, maths, basic IT, Family Learning are free of charge				

Library Services

Item	Existing Fee	Proposed fee	% increase	Rationale
Printing Black and white	20p/A4 sheet	30p/A4 sheet	+50%	Current fee unchanged for couple of years, assessment even with self service is that 20p is not covering costs. Also boosts differential between b/w colour printing

Printing Colour	50p/A4 sheet	£1/A4 sheet	+100%	Current fee unchanged for couple of years, assessment even with self service is that 50p is not covering costs
Final postal letter re overdue items	Free	£1.00	New charge	We will be introducing free email and text pre overdue and overdue reminders, so this fee covers postage and staff time. Fee avoided if items are returned on time
Books Children's books on adult card	£0.02/day	£0.05/day	+150%	To encourage children to borrow children's books on child cards and therefore incur no fines