

North York Moors National Park Authority Finance, Risk Audit and Standards Committee

5 June 2017

Fees and Charges for Staff Time

1. Purpose of the Report

- 1.1 To ask Members to approve an update to the Charges levied by the Authority in relation to staff time so as to ensure that the full cost of the provision of services is recovered in appropriate cases.

2. Background

- 2.1 The Authority receives monies in relation to staff time in a number of areas including work related to externally grant funded projects, ad hoc secondment arrangements, recovery of cost on Enforcement Cases, delivery of practical projects by field staff, costs under planning performance agreements (PPA's) and s106 agreements. The funds may be received as charges, under bespoke contracts, or as one-off donations or payments.
- 2.2 All fees and charges are subject to regular review by the National Park Officer and the s151 Officer (Financial Regulations paragraph 13.3). Since 2010, the Authority has dramatically changed its approach to income generation, and the drive throughout local government is to become more 'commercial'. Inevitably, in a public sector context the meaning of commercialism is not about the drive to make 'profit' and must balance the public interest. Increasingly, the Authority is charging commercial organisations for work undertaken by our officers and in these circumstances it is appropriate that the public purse is not detrimented by ensuring that full cost recovery is achieved.
- 2.3 With this in mind the purpose of the report is to inform Members of the review of the Authority's charges and the 'full cost recovery rates' which has recently been undertaken and to seek Members approval for the principles to be applied to the application of these rates in particular circumstances.
- 2.4 Members have agreed at Authority in December 2015 that any charge for recovery of cost relating to Enforcement action under the Town and Country Planning Acts and in relation to Listed Building Enforcement and associated matters is set at 90% of the total staff hourly rate. It is not proposed to change this approach.

3. Charges

- 3.1 The Director of Corporate Services has undertaken a costing exercise and benchmarked these costs against other organisations delivering similar services. The aim of this exercise was to identify the full cost recovery rate for each spinal point. Therefore, the model started with the NJC Spinal Point rate adjusted for the LGPS employer contribution and national insurance. This has been adjusted to take into account holidays and other non productive time such as training and sickness (based on the Authority's KPI's). The Authority then charges a rate of £2.95 per hour to cover the costs of accommodation, IT and business support. This basic hourly rate is then uplifted to cover management costs. The final cost equates to 172% of the basic hourly rate.

- 3.2 In order to sense check the calculation and to ensure that the Authority would not be making a profit or overcharging, these rates were compared to rates that the Authority currently pays external contractors for similar services and the rates are reasonable and in most cases lower than those operating in a commercial competitive environment.
- 3.3 Officers feel that this is an area where a one size fits all approach may not be beneficial to adopt and would seek to maintain the flexibility under the Financial Regulation above to make alternative charging arrangements where appropriate e.g. where there is a wider public benefit such as in charging grant funded or partnership project schemes. However, it is considered that in most cases where the recipient of the service is operating in a primarily commercial manner that these be charged by default. Therefore, for example, these charging rates are likely to apply for most Planning Performance Agreements or s106 agreements unless the proposal is deemed to further wider National Park purposes and therefore justify a subsidy in which case the NPO and the s151 Officer can agree the variation.

4. Financial and Staffing Implications

- 4.1 The financial implications are described in the report.

5. Sustainability and Legal Implications

- 5.1 There are no sustainability or legal implications arising from this report.

6. Recommendation

- 6.1 That Members confirm the principles for charging in section 3 of the report and that such charges are to be reviewed regularly in line with paragraph 13.3 of the Financial Regulations.

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Background documents to this report

None

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