
REPORT FOR: CABINET

Date of Meeting:	20 January 2016
Subject:	External Fees and Charges 2016/17
Key Decision:	Yes
Responsible Officer:	Dawn Calvert, Director of Finance
Portfolio Holder:	Councillor Sachin Shah, Portfolio Holder for Finance and Major Contracts
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	Appendix 1: Harrow Charging Policy <u>Fees & Charges schedules for Directorates:</u> Appendix 2: Community Appendix 3: Resources and Commercial Appendix 4: Regeneration, Enterprise and Planning Appendix 5: People

Section 1 – Summary and Recommendations

This report sets out the Council's proposed External Fees & Charges for the financial year 2016/17.

Recommendations:

Cabinet is requested to:

1. Agree the Fees & Charges to be implemented from April 2016 (Appendices 2 to 5), except those fees and charges included for noting/information only.
2. Delegate authority to the Director of Finance and relevant Corporate Directors, following consultation with the relevant portfolio holders, to amend fees and charges in year.

Reason: (For recommendation)

To ensure the Council sets a schedule of fees and charges for 2016/17.

Section 2 – Report

Introduction

- 1) This report sets out the Fees & Charges that are proposed to be applied to services for the year 2016/17. This report asks Cabinet to delegate authority to the Director of Finance and relevant Corporate Directors, in conjunction with the relevant portfolio holders, to amend fees and charges in year.
- 2) External income is significant to Harrow Council. Fees and charges generate in the region of £30m per annum and provide significant funding support to the provision of those services that are charged for. Charges are set broadly within the framework of the Medium Term Financial Strategy (MTFS), the Charging Policy and in accordance with legislative requirements.
- 3) This report provides the charging details of Council services. The policy background to charging, the Councils Charging Policy, is included at Appendix 1.

Options Considered

- 4) The options that exist are to review and set the charges for the forthcoming financial year or not, the latter of which is not really an option as the council has to set the charges it wishes to implement. Whilst there is scope for the amount of change in the charges, these have been proposed at the levels they have for reasons detailed in the report, (primarily) to ensure cost recovery as far as possible.

Background to Fees & Charges

- 5) Harrow Council receives income through a wide variety of sources that are summarised as the following:
- Grants from Central Government & other sources
 - Council Tax and National Non Domestic Rates
 - Fees & Charges
- 6) Councils are involved in a wide range of services and the ability to charge for some of these services has always been a key funding source to support the cost of providing the service.
- 7) The income generating services contain both statutory and discretionary services. Where fees and charges apply to statutory services these are often set nationally, for example some planning fees and some licensing fees. The majority of statutory services, Building Control being a notable exception, are not funded directly from fees and charges but instead from the Council's other main sources of revenue, i.e. government grants and local taxation. Examples of services funded in this way include Highways, Children's Services, Street Cleansing and Domestic Refuse services.
- 8) There may be circumstances where the charge is set for reasons such as, for example, where the Council wishes to manage demand, or deter or incentivise certain behaviours such as encouraging re-cycling, discouraging trade use of civic amenity waste sites etc.
- 9) The remaining income services where the Council levies fees and charges are of a discretionary nature. These cover a wide range of services such as Libraries, Pest Control, Commercial Waste, Leisure & Recreation facilities, and Parking. Discretionary Services are those that an authority has the power to provide but is not obliged to. This report includes recommendations for the appropriate level of fees and charges for 2016/17 for these types of services.
- 10) In 2010 the Council agreed a Charging Policy (Appendix 1) that provided guidance for budget holders in how to set fees, and guidance for members in how to ensure that effective charging strategies were in place.

Charging Policy

- 11) The policy framework (Appendix 1) aims to encourage a consistent and cost effective approach to the setting of charges for services provided by Harrow Council by:
- Specifying the process and frequency for reviewing existing charges for all areas of the council's work for which charges could in principle be set

- Providing guidance on the factors that need to be taken into consideration when charges are being reviewed
- Requiring more active use of market intelligence when setting charges
- Establishing parameters for calculating different levels of charges
- Recommending the criteria for applying concessions or discounted charges consistently across the council

Medium Term Financial Strategy 2016/17

12) The Charging Policy provides guidance on the factors to consider when reviewing charges.

13) In general the charges levied by the Council do not reflect full cost recovery of the costs involved in providing services. Where possible, and consistent with the Council's service priorities, it is proposed to increase charges to move towards full cost recovery. Many of the charges are being increased by 4% (rounded up or down as appropriate). This takes account of the current level of inflation as measured by the Retail Price Index, which as at October 2015 is 0.7% and provides an element of movement towards full cost recovery.

14) The estimated effect of the changes proposed has been accounted for in the Medium Term Financial Strategy.

Summary of Proposed Changes

Community (Appendix 2)

15) The proposed fees and charges for 2016/17 for the Community Directorate are detailed in Appendix 2. This schedule covers fees and charges for Environment and commissioning, Cultural services and Housing. In general charges have been increased by 4%, with suitable rounding, which allows for inflation and a move towards full cost recovery as set out at paragraph 13. In addition there are a number of exceptions to the 4% increase as outlined below:

Environment and Commissioning

16) Hire of Pavilion Tea Rooms (**charge 1**) - increases are to be made to the charges for hourly hire of the pavilions in parks. This is to move towards a full cost recovery as these have been added to the Total Facilities Management Contract and some have already had upgraded facilities as a result of capital investment over the last two years. Concessions will be adjusted to allow discounted rates to charity and community groups as well as pre school groups which directly support the council in achieving their targets eg offering discounted spaces to deprived families

17) Parking Dispensations/Permits and suspensions of bays (**charge 38**) - Increases have been made to the issue of health care permits to external companies after a benchmarking exercise with a neighbouring borough (increase from £23.80 to £130). Charges for local authorities and public health bodies are only increased by inflation. Parking suspensions applications have remained the same for applications with over 14 days notice but are increased for those with less notice where a fast track service is required. The cost of the suspension per bay per day have been

restructured to be priced per locality to take account of whether this is town centre (£25), district centre (£20) or local (£15) from a previous price of £13. Parking dispensations for two week periods have also been restructured to be priced per locality, for town centre (£60), district centre (£50) and local (£40).

- 18) Charges for Kennelling (**charge 40**) - This charge has been restructured to apply an administration fee split and then a kennelling fee per day and still recovers the same cost.
- 19) Service of Hazard Awareness Notice/Prohibition/Emergency Prohibition Orders (**charges 51 and 52**) - The charge has been changed to a charge per hour of £81 from a charge per set numbers of items and reflects cost recovery on the work undertaken by officers.
- 20) Sex Shops (**charge 71**) - This has been reduced following case law (Hemming v Westminster City Council) following Supreme Court judgement in April 2015 which challenged what can be charged for administration of an application. Initial application has reduced from £6490 to £2300, renewal from £5950 to £1150 and an application to transfer is now included at £575. It can be noted that there is currently no such premises in the borough.
- 21) Breeding Establishments for Dogs (**charge 72**) - Charges for the initial registration of these has been increased by 47% from £270 to £396 and for renewal by 31% from £166 to £218 to bring into line with other animal licensing
- 22) Performing Animals (**charge 82**) - A change from the previous charge for registration and renewal now increases the charge for a profit making organisation from £108 to £396 and a reduction for non profit organisations to £55. This is in line with a neighbouring borough.
- 23) Riding Establishments (**charge 83**) - An increase from £83 to £365 has been made for applications following a benchmarking exercise with neighbouring boroughs with additional charges for renewal and change of licence in line with other animal licensing and neighbouring boroughs

New Charges

- 24) Football and Rugby (**charge 8**) - Occasional senior hire (per match) has been introduced at a charge of £142.40.
- 25) Cemetery Fees (**charges 15 and 16**) - Additional charges have been included for plaque/containers on graves where permissible, commemorative plaques on trees and memorial benches.
- 26) Licences for Projections over the highway (**charge 18**) - Applications are now required for both a building to oversail the highway (not cranes) and for construction equipment at the same rate as previously charged for canopies or other projections and a charge to change the structure is now levied after benchmarking with a neighbouring borough.
- 27) Garden/Food Waste Service (**charge 31**) - As part of making efficiencies in the MTFs, a charge for garden waste will be levied to residents from

April 2016. This includes a fortnightly collection for the full year (£75, concession for residents on council tax support scheme £25) and also a six month summer service from May to October (£40, concession for residents on council tax support scheme £15). If a resident does not possess a bin and wishes to hire one, this will be levied at £5 to cover administration and delivery costs. A free food waste collection service has also been introduced for residents and any 3rd 23L bin or more will be charged at £5 with bio bags available for £2.50 per roll.

- 28) Immigration inspections (**charge 74**) - A new charge has been introduced for a fast track service of £210 to provide a report within 3 working days.
- 29) Licencing activities (**charges 67a to 87**) are non-executive functions and these fees & charges will be the subject of a separate report for by Council in February 2016. These charges have been included in this report for completeness/information only and not for Cabinet approval.
- 30) Houses of Multiple Occupation (**charge 78**) – A fee of £550 was agreed by Cabinet for a Selective Licensing application in July 2015.
- 31) Scaffolding/Hoarding Licences (**charge 84 and 85**) - Additional charges to extend a licence (£55) and hourly charges for additional work required based on cost recovery of officers rates (£81) have now been included.
- 32) Advertising Board Licence (**charge 87**) - Following a report to Cabinet advertising board licences are to be introduced and a charge of £50 to cover the administration of this scheme will be levied. This policy seeks to strike a balance between encouraging a vibrant economy and ensuring that areas are not subject to “street clutter” and allows the council to manage this.
- 33) Stopping Up Highways (**charge 88**) -A new charge to cover the administration costs of undertaking this is introduced at £200.
- 34) Definitive Map Modification (**charge 89**) - A new charge of £200 is to be introduced to cover the cost of the assessment undertaken.
- 35) Street Naming and Numbering (**charge 90**) - New charges are to be introduced for Street naming and numbering per property and new developments. These range from applications for numbering plots (£171) and naming and renaming domestic and commercial premises (£171) and numbering plots (£from £100 for 1 plot to £2335 for over 50) and renaming a road (£200).
- 36) Rates for environmental Health Officers (**charge 93**) - Rates for the Officers to undertake works following serving of statutory notices are to be levied. This covers work undertaken per hour for the Divisional Director (£216), Service Manager (£162), Team Leader (£108) and Enforcement Officer (£81).
- 37) Environmental Information (**charge 102**) - A new charge for environmental information relating to properties per location or address is to be charged of £30. Some information can be accessed for free with a personal visit to view made to council offices.

Other Charges

- 38) Street Trading - A Policy for introducing street trading in selective streets is currently in the process of a report to Cabinet and consultation. After the consultation is concluded fees and charges will be finalised and approved by appropriate Officers and Members.
- 39) Events - A Policy for amendments to Events held on public highways and open spaces has been to Cabinet and is currently under consultation. A separate report will be taken to Cabinet after consultation.

Cultural Services - Appendix 2

- 40) The Libraries service is being delivered through a management contract (from September 2013). The contractor will review fees and charges, with any proposals being agreed by the Council before implementation. The setting of these charges must comply with the following contractual obligations:
- Affordable to people on low incomes
 - Encourage increasing use of library services
- 41) Cabinet received a report in May 2015 around the alternative governance models for the delivery of Arts & Cultural services for the Arts Centre, Harrow Museum, Headstone Manor and Music Services. The Council was successful in securing a grant from the Heritage Lottery Fund, enabling the Headstone Manor (a Grade I listed 14th century building of national heritage significance) to be developed and maintained.
- 42) The Great Barn has been restored, with Council investment, and opened in November 2015 as a commercial facility. Elsewhere on this agenda is report updating members on the formal review of the progress on fundraising and alternative governance models. The business plan includes assumptions around the charges that will be levied to enable the Council subsidy to be eliminated from April 2017 (**check**). This assumes increases in charges which are considered to be commercially achievable and support the income assumed in the business plan.

Community (Housing) (Appendix 2b)

- 43) Fees for Bed & Breakfast ("B&B") and Private Sector Leasing ("PSL") (**charge 97**) - were increased by the maximum amounts in January 2015 and October 2014 respectively. The amounts of the increase would be funded by Housing Benefit ("HB") thereby resulting in no additional cost for the service users. Any additional charge would generate no additional income for Council as the resulting additional income would have to be repaid to Government as it would be in excess of the HB thresholds which are linked to the Local Housing Allowance ("LHA") in 2011. These thresholds have not changed therefore no increase is proposed for 2016-17 for Temporary Accommodation.
- 44) The cost of Furniture Storage (**charge 98a**) – the charge has not been raised and removal is not charged, in order to minimise costs when household's are facing homelessness.

45) Private Sector Leased Temporary Accommodation & Nightly Paid Self Contained emergency accommodation (**charge 98**) - Weekly charges were increased in October 2014 to maximum levels without additional costs to service users; no increases are proposed for 2016-17 as this would result in no additional income to Council. Rates apply to Harrow properties - out of borough rates vary according to local LHA.

Resources and Commercial (Appendix 3)

46) The proposed fees and charges for 2015/16 for Resources are detailed in Appendix 3.

47) Helpline and Telecare charges (charges 2) - The Helpline and Telecare charges were reviewed as part of a review of the whole service and reported to Cabinet in July 2015. The charges were increased and new charges set. The figures shown for 2015/16 were implemented on 1st October 2015 and therefore, no increase in charges is proposed for 2016/17.

48) Concessionary travel, Blue-badge and freedom passes (charge 3) - processing fees are set in line with central government guidance. No change is proposed in the fee for replacement Freedom Passes & Taxi Cards (retained by London councils who administer the scheme).

49) Registrars service – there are no changes to the charges for the service included for 2016/17 as the service is being reviewed for a proposed shared service arrangement.

Regeneration, Enterprise and Planning (Appendix 4)

50) The proposed fees and charges for 2016/17 for the Regeneration, Enterprise and Planning Directorate is detailed in Appendix 4. This schedule covers fees and charges for Planning and Building control. The Building (Local Authority Charges) Regulations 2010 make provisions authorising local authorities to fix their own charges based on the full recovery of their costs for carrying out their main building control functions in relation to Building Regulations. Building Control charges were last reviewed in late 2013 and as a result the hourly rate used to calculate the charges was increased by 20.9% to ensure full cost recovery. The fees and charges will be subject to review in 2016.

People's Directorate (Appendix 5)

51) The proposed fees and charges for 2016/17 for the Peoples Directorate is detailed in Appendix 5. The schedule covers Adults services and Children and Families.

52) Where possible, charges for adult social care. (Appendix 5 charges 1 to 3) will be uplifted by 4% to cover inflation and a move towards full cost recovery and includes the meals service and transport.

53) The Care Act introduced a single legal framework for charging for care and support (section 14-17), including discretion as to whether or not to charge. Where a local authority arranges care and support to meet a service user's needs, it may charge the adult, except where the local

authority is required to arrange care and support free of charge. The principle is that service users should only be required to pay what they can afford, and all service users who are eligible to receive chargeable services are required to go through a financial assessment process to determine their ability to pay.

- 54) Charges in relation to the management of client finances under Court of Protection are prescribed by the Office of the Public Guardian and have not been increased for a number of years. The Council's Deferred Payments Policy seeks to fully recover costs by way of administration charges; however it cannot make a profit. As the uptake of this service has been low, it is proposed to freeze the charges until there is increased data on which to review the charges. Charges in relation to the day centres are recommended to be held at 2015-16 rates, pending the outcome of the Kenmore pilot and the wider strategic move to a community model, which will require a review of the principles for charging.
- 55) Further reforms to the Adult Social Care system were expected to cap the amount some service users will pay towards their cost of care from April 2016 however, this has been delayed until at least 2020 and further guidance is awaited.
- 56) The proposed fees and charges for the Children & Families Service are proposed to increase by approximately 4% to move towards full cost recovery.

Performance Issues

- 57) In order to successfully manage income streams, key sources are included in the monthly Finance Monitor which is sent to both the Corporate Strategy Board and Cabinet Members monthly. Any specific changes to fees and charges as part of the MTFs will be monitored through the monthly savings tracker which is also widely distributed.

Environmental Impact

- 58) There are no material environmental impacts from the development and implementation of Fees & Charges and the changes detailed in the schedules to this report.
- 59) Any significant changes to the method of delivering services will be subject to an options appraisal, a part of which will be to assess any environmental consequences of the proposed changes.

Risk Management Implications

- 60) In proposing the 2016/17 fees and charges officers have considered the impact of increases adversely affecting demand for the service as well as the need to recoup the costs of providing the service and in turn on the achievement of the administration's priorities. Any risk associated with fees and charges will be monitored through the Council's various relevant performance indicators, Improvement Boards and the monthly budget monitoring process.

Legal Implications: Powers to Charge

- 61) Local authorities have a variety of powers to charge for specific statutory services set out in statute.
- 62) The Local Government Act 2003 also provides a power to trade and a power to charge for discretionary services, the latter on a costs recovery basis. The power to charge for discretionary services is not available to local authorities if there is a statutory duty to provide the service or if there is a specific power to charge for it or if there is a prohibition on charging.
- 63) Additionally, the Localism Act 2011 provides local authorities with a general power of competence that confers on them the power to charge for services but again subject to conditions/limitations similar to those noted above.
- 64) Where authorities have a duty to provide a statutory service free of charge to a certain standard, no charge can be made for delivery to that standard, however delivery beyond that point may constitute a discretionary service for which a charge could be made.
- 65) All items/services listed in the appendices are pursuant to a power to provide the relevant service whether it is provided because of a statutory obligation to do so, or on a discretionary basis where the authority is not obliged to provide the service but can choose to do so. In relation to the latter, an authority charging for such services would do so on a cost recovery basis, pursuant to the Local Government Act 2003/Localism Act 2011. In the appendices to this report, the column titled 'Basis for charging' indicates whether the fee stated is prescribed by statute (as a set amount or up to an amount) (in which case it is noted as 'statutory') or if it is charged on a discretionary basis – i.e. cost recovery. The use of the term discretionary here is not therefore limited to meaning a service is being provided pursuant to the Local Government Act 2003/Localism Act 2011 because some legislation requires that an authority providing a service should charge for it, within the remit of the legislation, on a cost recovery basis (noted as 'discretionary' in the appendices). The use of the term discretionary is therefore used in the appendices to indicate a cost recovery basis for charging.

Financial Implications

- 66) Financial implications are considered throughout this report.

Equalities implications / Public Sector Equality Duty

- 67) Section 149 of the Equalities Act 2010 created the public sector equality duty. Section 149 states that:-
- 68) A public authority must, in the exercise of its functions, have due regard to the need to:
- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;

- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

69) The relevant protected characteristics are age, race, disability, gender reassignment, pregnancy and maternity, religion or belief, sex and sexual orientation. The duty also covers marriage and civil partnership, but to a limited extent.

70) When making decisions in relation to service provision, the Council must take account of the equality duty and in particular any potential impact on protected groups. Each proposal has been prepared in accordance with the Council's charging policy regarding fees and charges.

71) In some cases, the intention is either not to increase charges in 2016/17 or to reduce them. In others, the level of charge is set by Government and not within the Council's control.

72) Many of the charges where increases are proposed relate to discretionary services such as hiring playing fields, rooms at the arts centre or renewal of marriage vows and would not be considered as essential goods that would contribute to a calculation of increases in the cost of living. It is not possible to calculate the percentage increase across the board as this would depend on the number of times each service was accessed. A number of the charges are being increased by about 4%, reflecting that most services do not currently recover their full costs. This is in the context of inflation as measured by the Retail Price Index being 0.7% as at October 2015. The difference represents a small movement towards full cost recovery.

73) The equality implications have been assessed for all those charges that are proposed to increase above 4%. The assessment does not identify any adverse impacts or mitigating actions required.

Council Priorities

The Council's vision is:

Working Together to Make a Difference for Harrow

The Council's priorities are:

- Making a difference for the vulnerable
- Making a difference for communities
- Making a difference for local businesses
- Making a difference for families

This report deals with setting the Council's fees and charges. The income raised helps provide the financial resources to (cover costs and develop services, while the way the charges are set impacts on the users of services, particularly vulnerable people and families. The concessions available are an important element of the overall charging regime.

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 7 January 2016		
Name: Paresh Mehta	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 8 January 2016		

Ward Councillors notified:	NO, as it impacts on all Wards
EqIA carried out:	YES
EqIA cleared by:	Alex Dewsnap

Section 4 - Contact Details and Background Papers

Contact: Sharon Daniels, Head of Strategic Finance and Business, Tel: 020 8424 1332 / internal ext. 2332, Email: Sharon.Daniels@harrow.gov.uk

Background Papers:
Equality Impact Assessment – Annual Review of Fees & Charges (2016/17)

**Call-In Waived by the
Chairman of Overview
and Scrutiny
Committee**

NOT APPLICABLE

[Call-in applies]