
REPORT FOR: CABINET

Date of Meeting:	19 January 2017
Subject:	Fees and Charges 2017/18
Key Decision:	Yes
Responsible Officer:	Dawn Calvert, Director of Finance
Portfolio Holder:	Councillor Adam Swersky, Portfolio Holder for Finance and Commercialisation
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 (Adults and Children's)

Section 1 – Summary and Recommendations

This report sets out the Council's proposed Fees & Charges for the financial year 2017/18.

Recommendations:

Cabinet is requested to:

1. Agree the Fees & Charges to be implemented from April 2017 (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 and agree new fees and charges.

Reason: (For recommendation)

To ensure the Council sets a schedule of fees and charges for 2017/18.

Section 2 – Report

Introduction

- 1) This report sets out the Fees & Charges that are proposed to be applied to services for the year 2017/18. 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) 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 2017/18 for these types of services.
- 10) The Council has an agreed Charging Policy (Appendix 1) that provides 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 2017/18

12) The Charing Policy provides guidance on the factors to consider when reviewing charges. 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 2016 is 2% and also provides for an element of movement towards full cost recovery.

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

Summary of Proposed Changes

Community (Appendix 2)

14) The proposed fees and charges for 2017/18 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 discretionary 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 12. However, given the variety of discretionary services provided by the Directorate and the consequential variety of fees and charges, the Directorate has undertaken its usual benchmarking and market testing of its prices. The outcome of that exercise has led to some fees remaining unchanged, new fees being introduced, either to support cost recovery or to introduce new trading activities, and some fees being increased higher than the inflationary guide. These are set out below:

Fees that remain unchanged or are changed by less than the 4% increase:

15) Tree Donations (charge 2) - The charge for tree donations is to be capped at £300 for 17/18, reflecting a 2% increase.

16) Sport Pitches (charge 8) - In order to promote health within our building a better Harrow strategy there will be a freeze on an increase in the fees for football, gaelic football and rugby. This is except the use of a shower/dressing room per team without the use of pitch which will increase by 30% (£16) to reflect the improvement of the facilities

17) Events- (charge 13) – these fees will largely remain at the level agreed by cabinet in February 2016 as part of the Events Policy except an increase of 6% for large events and a new charge for large commercial events. These changes bring us in line with other boroughs who promote these

type of events. A new charge is to be levied for reinstatement works if required following an event, the Policy requires full costs are to be repaid for damage by the hirer and this indicates the cost of this

- 18) Sports Playing Fields (charge 14) – fees remain frozen to help promote healthier lifestyle
- 19) Trade Waste collection (charges 32 and 33) – the collection charges remain unchanged as part of the initiative to increase the number of customers with one off charges for purchase of bins increased by 15%
- 20) On Street Permits (charges 37c and d) -The on street residents and visitors permits have no increase applied. There are plans to introduce virtual permits next year and these fees will be reviewed then
- 21) Pest Control (charge 40) -It is proposed that the pest control charges are not increased after a benchmarking exercise in order to remain competitive
- 22) Selective Licensing (charge 78) – charges are not increased for 17/18 but will be reviewed following the proposed extension to South Harrow
- 23) Car Valeting and MOT (charges 106 and 107) – charges are not increased for 17/18 whilst the service is targeting market share
- 24) Street Trading including table and chair licensing (charge 109 and 23) – charges introduced for 16/17 are not increased for the area prior to a review of the service after its first year of operation

Fees that have been reduced

- 25) Bowls (charge 12) -The season letting for the bowls will reduce by 5%. This brings the reduction of these fees to 15% over the last two years. This is to reflect falling membership levels which is affecting the viability of these clubs.

Fees that have increased above the inflationary guideline

- 26) Hire of Pavilion Tea Rooms (charge 1) -Fees for rental of pavilions in parks have been increased by 20% or an additional £2.00 per hour. Concessionary fees to community groups increase by £1.50 to £9 per hour for those meeting the criteria e.g registered preschools. This is to reflect the on-going investment in parks infrastructure. A new day rate is being introduced for those registered pre-schools who utilise the buildings for a full day and wish to avoid the inconvenience of having to pack their items away at the end of a day.
- 27) Allotments (charge 3) – Fees for additional services including rotavating /weed spraying are increased by 30% to reflect the cost of the equipment and materials
- 28) Tennis courts (charge 6) -Rentals increase by 8% reflecting on-going capital investment in these facilities.
- 29) Football, gaelic football and rugby (charge 8) - The fee to use a shower/dressing room per team where a sport pitch is not being used will increase by 30% (£16) to reflect the improvement of the facilities and

increased utility costs and the creating of new changing rooms in various parks across the borough.

- 30) Projections over the highway (charge 18) - Licences for oversailing the highway have increased by 15%, this brings this charge in line with other boroughs following a benchmarking exercise
- 31) Vehicle Crossings (charge 19)-The constructing a vehicle crossing fast track estimate within 10 working days has been increased by 11%.
- 32) Special Waste Service (charge 30) – The fee for a premium service collection within 24 hours and at an allocated specific time slot increases to £20 to reflect the fast track service to the customer and to re-route vehicles to meet the time requested.
- 33) Civic Amenity Site (charge 35) -The minimum charge for disposal of residual trade waste increases by 8%
- 34) Off Street Business Permits (Car Parks) (charge 37e) - It is proposed that the annual Off-Street business permits are restructured to allow for a rate based on the parking price per day for 40 weeks at car parks which offer the permits. This will allow for 12 weeks additional free parking if an annual permit is purchased which is a fair deal for businesses but also provide an increased revenue at car parks with an annual permit. Part year permits have reduced to reflect a proportion of the annual charge
- 35) Parking Suspensions (charge 38) -The charge for the suspension of parking places will increase by 16% in the town centres and 10% in the district and local centres
- 36) Condemnation Certificate (charge 41) -The fee for the work around condemnation certificates for food considered unfit increases by 11%
- 37) CCTV Fees (charge 53) -The cost of providing CCTV footage is a statutory fee and had been set and charged at £10. The charge to insurers has been increased by 8%

Introduction of new fees or new categories to fees

- 38) Fly tipping removal (charge 4) -A new charge is to be introduced for owners of private land for a removal service for illegal fly tipping. This will be set at £2000 pa and -will cover the cost of returns to clear
- 39) Pitches (charge 8)-New fees have been introduced for extra services to pitches during a season. These include vertidrainning, sanding, extra marking and cutting outside the normal maintenance regime.
- 40) Room hire (charge 28) – an additional charge will be introduced for the hire of the new Training Academy room
- 41) Training (charge 43) - In September 2016 the new Training Academy was opened within the Civic 7 site and new classroom courses and online training packages are to be introduced to earn additional revenue for the directorate and these charges will be held at the current prices in 2017/18.
- 42) Professional Advice (charge 110)-New charges are included for the provision of advice for minor construction works for sustainable drainage, developments for traffic and transportation and developments for

sustainable drainage and flood relief. This advice was previously not charged for but is limited to cost recovery.

- 43) Gardening Services (charge 111)-During 16/17 a pilot scheme was introduced after a Phoenix business case for gardening and associated services for residents.
- 44) Advertising (charge 112) - New charges are proposed to be introduced to bring Harrow in line with other councils to charge for advertising on assets eg banners, roundabouts and vehicles

Cultural Services - Appendix 2

45) The Libraries service has been delivered through a management contract since 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

- 46) Community notice boards fees (charge 94) are increased to reflect the consolidation of the printing and delivery costs in 2017/18.
- 47) Great Barn and Museum (charge 95a) – there are increases in some charges due to market testing for tolerance with competing venues and also increases expected for improved museum facilities when they open in 2017.
- 48) Harrow Music Service - Service SLA (charge 96a) - schools will be affected by the raise in this charge and it is the source of the majority of SLA income. Schools are tending to buy less group lessons so increases are restricted.
- 49) Whole class instrumental teaching programmes (charge 96b) - Currently this is subsidised by the Music Education Grant by 60% and schools are contributing 40% of HMS staffing costs. The subsidy will be reduced to 45% and therefore the charge increase is 30% which will cover the shortfall arising from the 15% reduction in the subsidy.
- 50) After school clubs termly charge to parents (charge 96c) - A 9% increase gives a rounded figure of £50 per term in line with most other children's clubs and activities. There is a policy of remitting fees completely for children looked after and a robust system for remission of fees for unwaged parents and those in financial hardship which we advertise on the website and verbally. Currently 4 families have total remission of fees.
- 51) BRAVO after school lessons (charge 96e) - This is designed for parents who either want individual lessons for their children or where the schools their children attend do not have adequate provision in instrumental tuition. As this is a growing part of our business the increase is between 1.2 and 2.1%.

Community (Housing) Appendix 2

52) Fees for Bed & Breakfast ("B&B") and Private Sector Leasing ("PSL") – (charges 97 and 98) were increased by the maximum amounts in January 2015 and October 2014 respectively. It is anticipated that charges for accommodation will be set by DCLG at 90% of the 2011 Local Housing Allowance (LHA) and the proposed rates for 2017/18 reflect this. This will not be confirmed by DCLG until January 2017. If the assumptions around the proposed charges are not correct, then a variation of these charges will be requested with the relevant portfolio holders.

53) The cost of Furniture Storage (**charge 98a**) – the charge for full storage cost for new applicants and no charge is made for removal, as this likely to be beyond most household's abilities to pay at a time when they are facing homelessness, hence no increase proposed.

Resources and Commercial (Appendix 3)

54) The proposed fees and charges for 2017/18 for the Resources and Commercial Directorate are detailed in Appendix 3.

55) All fees and charges relating to existing clients of the Helpline and Telecare services will remain unchanged from 2016/17 prices. The service is in the process of developing a robust multi-channel marketing plan to build the brand and promote the Helpline service to generate additional income through expanding its volume of business and a pricing structure for new clients will be published next year.

56) Fees and charges managed by Legal Services covering Local Land charges, citizenship ceremonies, nationality checking and marriage & civil partnership are not currently being proposed for any change at this stage and so remain at the 2016/17 prices. The service is currently undertaking a benchmarking exercise for some of its fees and charges to review all charges against other local authorities in order to ensure that Harrow's charging policy is in line with other service providers, whilst ensuring that cost recovery and income maximisation is achieved. Should any changes to any fees and charges be considered appropriate, these will be proposed for an in year change and authority will be requested from the Portfolio Holder under delegated Authority.

57) All statutory fees where advised have been changed to reflect changes in fees and charges for 2017/18, or where not advised have been noted as unchanged, although these fees and charges may change at a later date once set by the appropriate external organisation.

Regeneration, Enterprise and Planning (Appendix 4)

58) The proposed fees and charges for 2017/18 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 reviewed

in late 2016 and as a result the hourly rate used to calculate the charges was increased by 14% with effect from 1st January 2017 to ensure full cost recovery, therefore the 2017/18 increase is showing as a nil increase on the 2016/17 charges.

59) Pre Application Fees (**charge 5**) have been increased by 20%, with suitable rounding, which allows for inflation and a move towards full cost recovery as set out at paragraph 12.

60) A new charge has been introduced for Self-build and Custom House building (**charge 4**) whereby we charge for people to be added to the Council's Self-build and Custom House-building register (£50) and an annual fee to remain on the register (£25). This is covered by the Self-build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016/2017.

People's Directorate (Appendix 5)

61) The proposed fees and charges for 2017/18 for the Peoples Directorate is detailed in Appendix 5. The schedule covers Adults services and Children and Families.

62) Where possible, charges for adult social care (Appendix 5 charges 1 to 4) will be increased as a move towards full cost.

63) 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.

64) Charges in relation to the management of client finances under Court of Protection (charge 3) are prescribed by the Office of the Public Guardian and have not been increased for a number of years.

65) The Council's Deferred Payments Policy (charge 4) 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.

66) Further reforms to the Adult Social Care system were expected to cap the amount some service users will pay towards their cost of care. However, this has been delayed until at least 2020 and further guidance is awaited.

67) 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

68) 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 on a quarterly basis. Any specific

changes to fees and charges as part of the MTFFS will be monitored through the monthly savings tracker which is also widely distributed.

Environmental Implications

69) There are no material environmental impacts from the development and implementation of Fees & Charges and the changes detailed in the schedules to this report.

70) 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

71) In proposing the 2017/18 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

72) Local authorities have a variety of powers to charge for specific statutory services set out in statute.

73) 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

74) 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.

75) 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.

76) 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.

77) 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 prescribed' or

'statutory discretionary' where legislation provides that you may charge for providing a service but the amount of the charge is discretionary, within the remit of the legislation e.g. the charge may be limited to cost recovery, reasonable cost or based on consideration of prescribed matters, or as 'discretionary' which is where the authority is not obliged to provide the service but if it does so then the charges are based on cost recovery pursuant to the statutory power to charge in Local Government Act 2003/Localism Act 2011.

Financial Implications

78) Financial implications are considered throughout this report.

Equalities implications / Public Sector Equality Duty

79) Section 149 of the Equalities Act 2010 created the public sector equality duty. Section 149 states that:-

80) 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.

81) 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.

82) 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.

83) In some cases, the intention is either not to increase charges in 2017/18 or to reduce them. In others, the level of charge is set by Government and not within the Council's control.

84) Many of the charges where increases are proposed relate to discretionary services such as hiring playing fields, rooms at the arts centre or Planning application fees 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 2% as at October 2016. The difference represents a small movement towards full cost recovery.

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: Sharon Daniels	<input checked="" type="checkbox"/>	on behalf of the Director of Finance
Date: 9 January 2017		
Name: Sarah Wilson	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 9 January 2017		

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

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 and Charges 2017/18

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

NOT APPLICABLE

[Call-in applies]