

---

**REPORT FOR: CABINET**

---

<b>Date of Meeting:</b>	18 January 2018
<b>Subject:</b>	Fees and Charges 2018/19
<b>Key Decision:</b>	Yes
<b>Responsible Officer:</b>	Dawn Calvert, Director of Finance
<b>Portfolio Holder:</b>	Councillor Adam Swersky, Portfolio Holder for Finance and Commercialisation
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	Yes
<b>Wards affected:</b>	All
<b>Enclosures:</b>	Appendix 1: Harrow Charging Policy <u>Fees &amp; Charges schedules for Directorates:</u> Appendix 2: Community Appendix 3: Resources and Commercial Appendix 4: Regeneration, Enterprise and Planning Appendix 5: People's (Adults and Children's)

## **Section 1 – Summary and Recommendations**

This report sets out the Council's proposed Fees & Charges for the financial year 2018/19.

### **Recommendations:**

Cabinet is requested to:

1. Agree the Fees & Charges to be implemented from April 2018 (Appendices 2 to 5), except those fees and charges marked "Statutory prescribed" or 'for noting only – not for Cabinet approval'.
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 2018/19.

## **Section 2 – Report**

### **Introduction**

- 1) This report sets out the Fees & Charges that are proposed to be applied to services for the year 2018/19. This report asks Cabinet to delegate authority to the Director of Finance and relevant Corporate Directors, in consultation 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 Council provides both statutory and discretionary chargeable 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 chargeable 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 2018/19 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 are 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 2018/19**

- 12) The Charging 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 5% (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 2017 is 4% 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 2018/19 for the Community Directorate are detailed in Appendix 2. This schedule covers fees and charges for Environment and Commissioning, Cultural services and Housing. Within the Environment and Commissioning service there are a number of fees and charges which are for noting by Cabinet as they relate to non executive functions in licencing and therefore require Council Approval.
- 15) In general discretionary charges have been increased by 5%, 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 services, 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 5% increase:**

- 16) Events- (**charge 13**) – these fees will remain at the current levels to remain competitive
- 17) Training Room Hire (**charge 28**) – these fees remain unchanged to remain competitive whilst marketing the service

- 18) Garden Waste Collection (charge 31) – these remain at the same level as 2017/18
- 19) Trade Waste collection (**charges 32 and 33**) – the collection charge remains unchanged for the refuse collection large bin to remain competitive in the market. Out of borough mileage charge remains static whilst building up that aspect of the business.
- 20) Training (**charge 43**) – some courses are increased at lower than the standard inflation factor so as to remain competitive in the market
- 21) Off Street Business Permits (Car Parks) (**charge 37e**) - These permits remain static as they reflect the parking charges in car parks which have not increased
- 22) MOT (**charges 107**) – charges remain the same for 18/19 for MOT and valeting whilst the service is targeting market share
- 23) Street Trading including table and chair licensing (**charge 109 and 21**) – charges introduced for 2016/17 remain unchanged for the area prior to a review of the service. Once the review is finalised any amendments to the charges will be enacted from delegation to the Portfolio Holder and Director of Finance

#### **Fees that have been reduced**

- 24) Event Hire (**charge 13**) – the charge for circuses and funfairs per day is reduced to £1900 to remain competitive in the market
- 25) Damage to footpaths, street lighting etc (**charge 26**) the charge has been amalgamated for up to £2000 and reduced 10% with a minimum charge to reflect the minimum amount of work carried out by officers.

#### **Fees that have increased above the inflationary guideline**

- 26) Hire of Pavilion Tea Rooms (**charge 1**) – Fees for rental have increased to reflect the investment made in parks infrastructure
- 27) Event Hire (**charge 13**) – the application fee is increased by 20% to reflect the officer time required for the event. There is still an 80% concession in place which would represent an increase of £2 on concession rates.
- 28) S38/78 supervision fees (**charge 17**) – The minimum fee for supervision is increased by 38% after a review of the officer time required. The percentages levied for supervision for the works increase by one percentage point
- 29) Special Waste Service (**charge 30**) – The fee for collection of up to 12 items are increased between 8% and 17% as there was no fee increase for 2017/18. A single mattress collection increases by £2
- 30) Civic Amenity Site (**charge 35**) -The minimum charge for disposal of residual trade waste increases by 8%

## **Introduction of new fees or new categories to fees**

- 31) Tree Donations (**charge 2**) – a new charge is introduced for inclusion of a plaque with the tree.
- 32) Memorial Seats (**charge 27**) – a new charge is incorporated for memorial seats in parks
- 33) Civic Centre Lettings (**charge 28**) – a new fee is added for an hourly hire charge for the Training Academy
- 34) Advertising (**charge 112**) - New charges are proposed to be introduced to reflect those being charged by other councils from advertising on the benches and related highways assets.

## **Cultural Services - Appendix 2**

- 35) 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
- 36) Great Barn and Museum (**charge 95a**) – The venue hire business opened in late 2015 and opened with prices on the lower end of the market as restoration works were ongoing. The works are now complete and the market for similar venues tolerates notably higher prices. In addition, experience of providing these services over the past two years identified service improvements with cost implications, namely additional staff and security to ensure a good reputation for the business. The majority of demand for venue hire has been for weddings but function bookings require the same level of service and therefore cost, so charges have been aligned. There are increases in some charges due to market testing for tolerance with competing venues. Experience of running the business has demonstrated the need for an off-season price in order to maintain bookings year-round, and therefore an off-season price has been introduced for Nov-Feb. Other schools and local history charges are benchmarked and will not increase due to market demand but increases for non schools items are increased where the improved services warrant this.
- 37) Harrow Arts Centre (**charge 95b**) - There are amendments to the fees and charges of Harrow Arts Centre. The service has analysed usage of the space and looked at competitor pricing and are proposing changes to make it easier for potential customers to understand, to attract new business (with a particular emphasis on corporate bookings to increase usage of the arts centre during office hours) and to keep the Arts Centre in line with competitor pricing (using the arts venues in Hillingdon as the main comparator).
- 38) This includes making the current rate for room hire also applicable for charities and community groups; merging corporate room hire bookings

with the education and training rate and deleting the separate business rate which has low take up; amending the Hatch End Suites rates to make them the same as the large room rates to increase utilisation; amending the function rate to a function (day hire) rate for rooms (excluding Elliott Hall) to reflect market prices for children's parties which require minimal support and make more competitive; simplifying the pricing for Elliott Hall merging performances and functions pricing, charging a lower price for bookings made from Monday to Thursday when usage is lower and offering a per hour rate (with a minimum of 4 hours to be booked) including a Technician and Front of House Manager; simplifying the pricing for the Studio Theatre, merging performances and functions pricing and making the rate more competitive; and keeping the technician hourly rate at the same level to compete with other boroughs.

39) Harrow Music Service - Service SLA (**charge 96a**) - schools will be affected by the increase 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 limited to 1% to maximise the school buy back.

40) 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. New termly costs allow extra clarity for parents.

### **Resources and Commercial (Appendix 3)**

41) The proposed fees and charges for 2018/19 for the Resources and Commercial Directorate are detailed in Appendix 3.

42) Helpline and Telecare (**charge 2**) - All fees and charges relating to Helpline and Telecare services remained unchanged between 2017/18 and 2016/17. The service has revised its pricing structure for 2018/19 charges following a review carried out during 2017/18 benchmarking the service and charges against other service providers. The 2018/19 charges have therefore been amended to bring them in line with other service providers and move towards cost recovery.

43) Fees and charges (**charges 4 to 10**) covering Local Land charges, citizenship ceremonies, nationality checking and marriage & civil partnership did not change between 2016/17 and 2017/18. The fees and charges for 2018/19 have been amended where appropriate following a benchmarking exercise with 14 London Boroughs and to ensure appropriate cost recovery.

44) All statutory fees where advised have been changed to reflect changes in fees and charges for 2018/19, 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)**

45) The proposed fees and charges for 2018/19 for the Regeneration, Enterprise and Planning Directorate is detailed in Appendix 4. This schedule covers fees and charges for Planning and Building control.

46) Building Control (**Charge 2**) - Building Regulations charges were revised and implemented in January 2017 following a review of the overall costs of providing the services to ensure full cost recovery. These charges are normally reviewed every 2-3 years, and therefore no changes to the current charges are proposed.

47) Administration and Monitoring of Section 106 agreements (**charge 3**) – Monitoring fees are charged on a case by case basis. Where a monetary value / contribution is included in the S106 agreement, the monitoring fee shall not exceed 5% of the overall value of monetary contributions within the agreement, up to the maximum monitoring fee amount. It is proposed that the maximum monitoring fee that can be charged is increased from £50k to £60k as this sum has not been changed for a number of years. The maximum amount would only ever be levied against large, phased schemes, which generally would involve phased triggers for payment of contributions over several years and therefore require resources to monitor the progress of the development and future contributions sought when triggered under the agreement.

A new monitoring fee is being introduced when a Travel Plan obligation is included. This is to reflect the bespoke cost of monitoring Travel Plans due to the resource requirements for this.

48) Self-build and Custom House building (**charge 4**) - Following a benchmarking exercise, the registration fee is increased to be comparable with other local authorities. The annual fee for retaining the entry in the Register is kept at the current level, having regard to the increase in fee for entering onto Register initially.

49) Pre-Application charges (**charge 5a**) Following a review of the costs of providing pre-application service, the charges are being increased to ensure full cost recovery. The proposed charges have been benchmarked against other local authorities and remain competitive.

#### **People's Directorate (Appendix 5)**

50) The proposed fees and charges for 2018/19 for the Peoples Directorate is detailed in Appendix 5. The schedule covers Adults services and Children and Families.

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

52) 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.



- 53) Charges in relation to the management of client finances under Court of Protection (**charge 3**) are prescribed up to a maximum amount by the Office of the Public Guardian.
- 54) The Council's Deferred Payments Policy (**charge 4**) seeks to fully recover costs by way of administration charges; however it cannot make a profit. These charges have been frozen, with the exception of charges relating to staff time, until there is more data on which to base revised charges.
- 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. However, this has been delayed until at least 2020 and it is likely that the awaited Green Paper in relation to the longer term funding and sustainability of Adult Social Care will include future charging guidance.
- 56) The proposed fees and charges for the Children & Families Service are proposed to increase by approximately 5% to move towards full cost recovery.

### **Performance Issues**

- 57) Income streams are monitored as part of the monthly Monitoring 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 MTFs will be monitored through the monthly savings tracker which is also widely distributed.

### **Environmental Implications**

- 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 2018/19 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.
- 66) 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**

- 67) Financial implications are considered throughout this report.

## **Equalities implications / Public Sector Equality Duty**

- 68) Section 149 of the Equalities Act 2010 created the public sector equality duty. Section 149 states that:-
- 69) 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.
- 70) 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.

- 71) 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.
- 72) In some cases, the intention is either not to increase charges in 2018/19 or to reduce them. In others, the level of charge is set by Government and not within the Council's control.
- 73) 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 5%, 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 4% as at October 2017. 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 5%. 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 Chief Financial Officer
Date: 9 January 2018		
Name: Paresh Mehta	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 9 January 2018		

<b>Ward Councillors notified:</b>	<b>NO, as it impacts on all Wards</b>
<b>EqIA carried out:</b>	Yes
<b>EqIA cleared by:</b>	Alex Dewsnap [DETG Chair, Resources Directorate]

### Section 4 - Contact Details and Background Papers

**Contact:** Sharon Daniels, Head of Strategic and Technical Finance, Tel: 020 8424 1332 / internal ext. 2332, Email: [Sharon.Daniels@harrow.gov.uk](mailto:Sharon.Daniels@harrow.gov.uk)

**Background Papers:** None.

<b>Call-In Waived by the Chair of Overview and Scrutiny Committee</b>	<b>NOT APPLICABLE</b> <i>[Call-in applies]</i>
---	---