
REPORT FOR: CABINET

Date of Meeting:	17 January 2019
Subject:	Fees and Charges 2019/20
Key Decision:	Yes
Responsible Officer:	Dawn Calvert, Director of Finance
Portfolio Holder:	Councillor Adam Swersky, Portfolio Holder for Finance and Resources
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 including Regeneration Appendix 3: Resources and Commercial Appendix 4: 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 2019/20.

Recommendations:

Cabinet is requested to:

1. Agree the Fees & Charges to be implemented from April 2019 (Appendices 2 to 4), except those fees and charges marked 'Statutory prescribed' or 'for noting only – not for Cabinet approval'.
2. Delegate authority to the Director of Finance to amend fees and charges in year and agree new fees and charges, following consultation with relevant Corporate Directors and Portfolio Holders.

Reason: (for recommendations)

To ensure the Council sets a schedule of fees and charges for 2019/20.

Section 2 – Report

Introduction

- 1) This report sets out the Fees & Charges that are proposed to be applied to services for the year 2019/20. This report asks Cabinet to delegate authority to the Director of Finance to amend fees and charges in year, following consultation with relevant Corporate Directors and relevant Portfolio Holders.
- 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 Council's Charging Policy, is included at Appendix 1.

Options Considered

- 4) The Financial Regulations in the Council's Constitution state that Directors are responsible for ensuring that there is, as a minimum, an annual review of fees and charges (for the forthcoming financial year) and an in depth one on a three-year rolling basis. The options are to review and set the

charges for the forthcoming financial year or, to not do so, but given that the Council should set its charges for implementation for each year, the latter is not really an option.

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 and 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 2019/20 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 2019/20

12) The Charging Policy provides guidance on the factors to consider when reviewing charges. 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 2018 is 3.3% and also provides for an element of movement towards full cost recovery.

Summary of Proposed Changes

Community Directorate (Appendix 2)

13) The proposed fees and charges for 2019/20 for the Community Directorate are detailed in Appendix 2. This schedule covers fees and charges for Commissioning and Commercial, Environment Division, Cultural services, Housing and Regeneration, Enterprise and Planning. Within the Commissioning and Commercial, Environment Division 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.

14) 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 but still within cost recovery. These are set out below:

Commissioning and Commercial, Environment Division

Fees that remain unchanged or are changed by lower than the inflationary uplift are:

- 15) Allotment Gardens (charge 3) – these charges have not increased as a new booking system will be introduced with the aim of reducing administrative costs.
- 16) Sports pitches (charges 8 to 12 & 14) – the charge for seasonal pitch bookings will not increase although one off bookings will increase by 5%.
- 17) Car Parking charges at the Civic Centre, On street and off street (charges 29, 37a & b) – these charges have not increased.

- 18) Garden Waste Collection (charge 31) – these remain at the same level as 2018/19.
- 19) Training (charge 43) – some courses are increased at lower than the standard inflation factor so as to remain competitive in the market.
- 20) 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.
- 21) Parking discretionary lettings (charge 39) – these charges at Peel House do not increase to remain in line with other parking charges.
- 22) Harrow Meals (charge 103) – prices are held at current levels to reflect efficiencies being made across the service.
- 23) MOT (charge 107) – charges remain the same for 2019/20 for MOT and valeting whilst the service is targeting market share.

Fees that have increased above the inflationary guidelines:

- 24) Hire of Pavilion Tea Rooms (charge 1) – Fees for rental have increased to reflect the investment made in parks infrastructure.
- 25) Tree Donations per tree (charge 2) – fee has been rounded up to nearest £5.
- 26) Street Works Licence (charge 20) – the charge has increased for the licence fee to move towards full cost recovery and after a benchmarking exercise.
- 27) Temporary Traffic Restrictions for Highways works (emergency) (charge 24) – the charge is increased to reflect the level of work required in organising these at short notice.
- 28) Special Waste Service (charge 30) – The fee for collection of items are increased between 7% and 17% to reflect the recovery of costs for the service.
- 29) Arc House Hire (charge 116) – the Arc House hire charges have increased per hour to reflect the additional operational costs given the closure of the café and the fact that any staffing required now has to be mobilised as there are no permanent staff on site.

Introduction of new fees or new categories to fees:

- 30) Events (charge 13) – the charges for circuses and funfairs have been revised to bring them in line with other event charges. There is also a reduced charge for set up and set down days given the organisers earn no income on these days. In order to remain competitive, these charges were agreed by the portfolio holder in the current year and are currently being piloted.
- 31) Vehicle Access Protection Marking (charge 19b) – a new charge is incorporated for protection marking (H-bars) to reflect customer demand. The regulations made under the Local Authorities (Transport Charges) Regulations 1998 authorised local authorities to impose charges for

dealing with specified matters about certain highway, road traffic regulations and travel functions.

- 32) Temporary Traffic Restrictions for Highways works (planned) (charge 23) - the standard charge will be replaced with prices for different durations to reflect the extra supervision and monitoring of these.
- 33) Trade Collection services (charge 33) – a new fee is added for collection of paper and confidential sacks due to customer demand – this is currently being run as a pilot scheme and covers for ad hoc, periodic and regular sack collection of confidential waste from small and homebased companies and individuals who don't have storage space for a bin or don't need as large a receptacle. Under section 45 of the Environmental Protection Act 1990 a person who makes a request for the collection of waste other than household waste (including commercial and confidential waste) will be liable to pay a reasonable charge for the collection and disposal of their waste. Corrections to the residual and recycling sacks are made due to a transposition error in the prior year.
- 34) Residents Permits (charge 37c) - Housing Residents Permits were previously omitted from the schedule and have now been included and are set at the same levels as on street resident's permits.
- 35) Road Traffic Regulation (charge 38) – Dispensations have been introduced for periods of one week and for one day to reflect demand.
- 36) Pest Control (charge 40g) – Commercial Waste Services are introducing an additional pest control service. This will offer a rat prevention service including a CCTV inspection of drains and insertion of rat barriers in drains. This has been developed out of increased requests for a prevention service to complement the current control and elimination service.
- 37) Street Works (charge 63c) – new charges are introduced for the preparation of statutory undertakers plant plans.
- 38) Harrow Meals (charge 103) – new charges are introduced for desserts as well as services to customers outside the borough.
- 39) Advertising (charge 112) - New charges are to be introduced to reflect banners on the highways and non highways for application fees and fortnightly safety checks.
- 40) Handyperson Service (charge 113) – New charges are added for the delivery of the handyperson in the Commercial Services area, which builds on the service previously offered by the Housing Division but will offer it under a different model range of services offered including a premium charge. The premium charge is a one off charge, which is in addition to the hourly rate, for services that are booked on the weekend.
- 41) Electric Vehicle Charging points (charge 118) – this charge is introduced to reflect the recovery of costs from the introduction of electric vehicle charging points. Energy will be provided under the existing energy contract via metered supplies. The EV charge points supplier, Chargemaster, will manage accounts with customers that will give access to the charge points through RFID cards and customers will be charged directly for energy used. Chargemaster will then refund the income back to the borough so

this offsets our expenditure on energy. The scheme will be cost neutral so the charge rate is being set to cover energy charges and maintenance to the charging units.

Cultural Services

Harrow Museum and Great Barn (charges 95a)

42) A Portfolio Holder report in 2018/19 approved an increase in fees and charges for 2018/19 for functions in the Great Barn following a review of competitor pricing. There are some amendments proposed to the fees and charges for 2019/20 as follows:

- The set refundable deposit charge has been removed with any future charging for damage and breakages to be related to the specific incidents due to the Grade II status of the building.
- Cancellation fees have been revised to better reflect the timescale of the cancellation and the likelihood of being able to re-hire.
- The charges for the Great Barn have been simplified with the separate function charge being removed and charging for all functions will be the same as the wedding charges.
- New charges have been introduced that are per person rather than a flat fee to encourage increased bookings.
- A new dry hire fee has been introduced to increase bookings, and new rates for community events to help promote the museum as a community hub and a charitable rate to promote inclusivity and community participation.
- School session charges have increased by more than 5% as charges have not been raised for 5 years and bring the charging in line with other museums.
- The school loan box scheme also rises above 5% as this charge also hasn't increased for 5 years and the offer available has expanded.
- Charges for afternoon talks, mini museum, Manor House tour, private tour, and tour of stores have been reduced to reflect actual costs and to increase participation.

Harrow Arts Centre (charges 95b)

43) There have been limited changes to fees and charges proposed for 2019/20. There has been some rounding up of fees and charges to the nearest 50p to keep the charges as simple as possible; consequently not all charges have increased by 5%. Other changes are as follows:

- The IT suite charge has been deleted as the suite is no longer available.
- No increase in the Technician charge to ensure charge is in line with the competition.

- Charge for the use of the Studio Theatre has also not increased due to the current condition of the space.

Harrow Music Service (charges 96a to 96e)

44) The majority of fees and charges are proposed to increase below 5% due to the risk of the loss of school buy back. Other changes are:

- Increase in some school clubs termly charge above 5% to ensure that all junior clubs are charged the same.
- Festival ticket charges also to increase above 5% to be in line with the other concert charges and to cover the costs of hall hire.
- BRAVO after school instrumental charges increase below 5% due to the round down of charges to ensure clarity for parents.

Library Service

45) The Library Service was brought back in-house from 1st February 2018. Some fees and charges proposed to be increased by above or below 5% due to the rounding up or down of charges to the nearest 10p (5p for overdue charges). In addition the following changes are to be made:

- No increase in CD charges as new stock not now being purchased.
- Photocopier charges increased above 5% to cover increased consumable costs.
- Reservation charges for items not available locally increased above 5% to cover the cost of providing the service.
- New charge introduced for reserving music scores via inter-library loan per box to cover the costs of service provision.
- Increase in meeting room hire costs above 5% during library opening as rooms currently well used and to reflect competition pricing.
- Increase in the out of hours meeting room hire charge above 5% to cover the costs involved.
- New charge introduced for the use of public PCs after the first two free hours, and for using scanning facilities.

Housing

46) The fees and charges for Housing are proposed to have no increases, barring the removal of the charges relating to affordable housing validation as this is now carried out by a third party. The Private sector leased temporary accommodation and Bed & Breakfast charges are based on the 2011 LHA rates so remain unchanged.

Regeneration, Enterprise and Planning

- 47) The proposed fees and charges for 2019/20 for the Regeneration, Enterprise and Planning Directorate is detailed in Appendix 2. This schedule covers fees and charges for Planning and Building control.
- 48) 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 for 2019/20 no changes to the current charges are proposed.
- 49) Administration and Monitoring of Section 106 agreements (charge 3) – A new fee has been introduced in relation to S106 agreements where the only provision relates to monitoring parking permit restrictions. Monitoring of such obligations is more reactive than proactive (i.e. only if some breaches the restriction does remedial action need to be considered) so a lower charge than the standard monitoring fee (£1,660) is considered more appropriate. The fee reflects recent experience in the negotiating of such agreements.
- 50) Pre-Application charges (charge 5a) Following a review of the service provision, new charges for follow up meetings are to be introduced at half of the price of an initial meeting to reflect the costs of these requests in the various categories. There are also new charges for fast track services that will be introduced during 2019/20.
- 51) Staff charge rates (charge 5b) New charges are introduced to reflect hourly rates chargeable for Building Control services.
- 52) Planning Discretionary charges (charge 8) New Fast track charges are added for services that will be introduced during 2019/20. The Design Review Panel (DRP) charges are added following a pilot.

Resources and Commercial (Appendix 3)

- 53) The proposed fees and charges for 2019/20 for the Resources and Commercial Directorate are detailed in Appendix 3.
- 54) Helpline and Telecare (**charge 2**) - The service revised its pricing structure for 2018/19 charges following a review carried out during 2017/18. The 2019/20 charges have not been increased in order for the pricing to remain competitive with other service providers.
- 55) Fees and charges (**charges 4 to 10**) covering Local Land charges, citizenship ceremonies, nationality checking and marriage & civil partnership for 2019/20 have been amended where appropriate to ensure they are in line with other London Boroughs and to ensure appropriate cost recovery.

People's Directorate (Appendix 4)

- 56) The proposed fees and charges for 2019/20 for the Peoples Directorate is detailed in Appendix 4. The schedule covers Adults services and Children and Families.

- 57) Where possible, discretionary charges for adult social care (Appendix 4 charges 1 to 6) will be increased as a move towards full cost.
- 58) 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, i.e. for reablement. 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.
- 59) 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.
- 60) A charge for the annual administration fee for Appointeeships is being included on the fees and charges schedule (**charge 4**). This charge is not new but has previously been excluded from the schedule and is now included for completeness. The charge will be 3.5% of the customer's net assets but to a maximum of £650.
- 61) The Council's Deferred Payments Policy (**charge 5**) seeks to fully recover costs by way of administration charges; however it cannot make a profit. The majority of the charges are estimates as legal costs will vary on a case by case basis. The valuation fee is reviewed annually in line with staffing costs and the annual management fee is linked to the Office of the Public Guardian rates.
- 62) 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.
- 63) A proposed new charge will be consulted on to cover the cost of arrangement fees for customers who pay for care costs. Harrow currently charges people with savings over the national threshold of £23,250, on a full cost recovery basis for the services provided but not for the cost to the Council of making these arrangements for them. The proposal, which is still subject to consultation, is to levy an administration fee for both arranging and providing ongoing care and support in customers' own homes. The proposal is that Service users will be asked to pay a one off fee and an ongoing annual fee in respect of Harrow's cost of maintaining these arrangements. Following the outcome of the consultation exercise, should it be agreed, then this be included as an in year revision to the fees and charges schedule.
- 64) 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

- 65) Income forms 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

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

67) 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

68) In proposing the 2019/20 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

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

70) 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.

71) 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.

72) 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.

73) 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.

74) 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

75) The increase in fees and charges income will either have been included in the budget as an MTFS saving or be used to offset the operational costs of the service, for example, the inflationary increases in running costs.

Equalities implications / Public Sector Equality Duty

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

77) 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.

78) The relevant protected characteristics are age, race, disability, gender reassignment, pregnancy and maternity, religion or belief, sex and sexual orientation.

79) 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.

80) Some charges will not increase in 2019/20 and some will be reduced. In others, the level of charge is set by Government and not within the Council's control.

81) Many of the charges where increases are proposed relate to discretionary services such as hiring playing fields and rooms at the arts centre 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 3.3% as at October 2018. The difference represents a small movement towards full cost recovery.

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 Director of Finance
Date: 8 January 2019		
Name: Paresh Mehta	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 8 January 2019		

Section 3 – Procurement Clearance

Name: Nimesh Mehta	<input checked="" type="checkbox"/>	Head of Procurement
Date: 8 January 2019		

Ward Councillors notified:	NO as it impacts on all Wards
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EqIA carried out:

Yes

EqIA cleared by:

Alex Dewsnap

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

Background Papers: None

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

NO – CALL IN APPLIES