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**REPORT FOR: CABINET**

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<b>Date of Meeting:</b>	9 January 2020
<b>Subject:</b>	Fees & Charges 2020/21
<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 Resources
<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 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 2020/21.

### **Recommendations:**

Cabinet is requested to:

1. Agree the Fees & Charges to be implemented from April 2020 (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, in consultation with relevant Corporate Directors and Portfolio Holders.

### **Reason: (For recommendation)**

To ensure the Council sets a schedule of fees and charges for 2020/21.

## **Section 2 – Report**

### **Introduction**

- 1) This report sets out the Fees & Charges that are proposed to be applied to services for the year 2020/21. This report asks Cabinet to delegate authority to the Director of Finance, to amend fees and charges in year, in consultation with relevant Corporate Directors the relevant Portfolio Holders.
- 2) Fees and charges generate significant income for the Council each year 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 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 (and seek to recover its costs), 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 2020/21 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 2020/21**

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 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 September 2019 is 2.4% 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 2020/21 for the Community Directorate are detailed in Appendix 2. The schedule covers fees and charges for Commissioning and Commercial, Cultural Services, Housing and Planning and Regeneration Divisions. Within the Commissioning and Commercial and 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 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 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) Car Parking charges at the Civic Centre, (charges 29) – these charges remain at the same level as 2019/20.
- 16) Garden Waste Collection (charge 31) – the annual service charge remains at the same level as 2019/20.
- 17) Supply of bins (charges 32 and 33) – some bin sizes are not increased due to competition in the market.
- 18) Civic Amenity site (charge 35) – charges are generally held at the 2019/20 price following a benchmarking exercise with neighbouring boroughs.
- 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. This applies to Pinner, Wealdstone and Central Harrow.

21) Parking discretionary lettings (charge 39) – these charges at Peel House are held at 2019/20 prices in order to remain in comparison with other parking charges.

22) MOT (charge 107) – charges remain the same as the 2019/20 prices.

**Fees that have increased above the inflationary guidelines:**

23) Standard S38/278 supervision fees (charge 17a) – these fees increase to a £5,000 minimum charge for 2020/21 and the percentage fee for those accumulative works in excess of £500,000 reduces to 5% for S38 works and 7.5% for S278 works.

24) Civic Amenity site (charge 35) – charges for out of borough non residents is increased to deter traders from using the site at a cheaper rate than the trade rates.

25) Car Valeting and Other Services (charge 106) – these charges are rounded up to the nearest pound.

26) Car Parking Charges - charges (37a, 37b,) - Charges for car parks and on-street pay and display bays have remained static since 2013 and are proposed to increase pursuant to the duty under the Road Traffic Regulation Act 1984 in relation to provision of suitable and adequate parking facilities and to reflect parking conditions in the borough. Increases will apply to all local and district centres and also to long stay parking rates.

27) Off-street business permits (charge 37e) - Business permits charges in car parks have been revised to take account of the changes to car park charges to ensure they are kept synchronised with the wider charging regime. These changes apply to Cambridge Road and Queens House car parks.

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

28) Parking permits (charge 37) – there are proposed new parking permit charges and parking permits types which, subject to approval, will become operational in 20/21. These charges were subject to a statutory consultation but remain subject to approval at the time of writing. These are as follows:

I. Resident permit – switch to emissions based charging (charge 37c)

II. Business permit (on-street) – switch to location based charging (charge 37f)

III. Doctor permit – new type of permit (charge 37i)

IV. Trader permit – new type of permit (charge 37h)

29) Parking Dispensations (charge 38) – these charges are replaced to reflect the new charges in Traders permits (charge 37h) above.

30) Garden Waste Collection (charge 31 and charge 32) – the Summer service charge now covers April to October collections and increases to

£50 (concessions £20) with a new charge for continuing the service after Summer for a full year of £40 and a charge for a new bin at £30.

- 31) Events catering/Hospitality/School Meals (charge 115) – charges for the provision of meals for schools will change to be based on price on application to reflect the individual requirements per school.
- 32) Electric Vehicle Charging points (charge 118) – a new charge is introduced for an unlocking fee to access the Electric Vehicle charge point.

### **Cultural Services**

#### **Harrow Museum and Great Barn (charges 95a)**

- 33) Great Barn Venue Hire prices for corporate hires are not increased due to competitiveness in the market and to increase uptake. Wedding ceremony and dry hire prices are also not increased.
- 34) Some education charges are removed as the service is no longer offered.
- 35) Holiday activities are changed to price on application as they need to be individually priced as per cost recovery depending on the activity offered.
- 36) The service is proposing a free service on the school loan box to maintain and increase usage. These costs will be covered by the cost of school sessions increasing by 14%.
- 37) No change is proposed to charges in the local history service as it is currently closed for refurbishment.

#### **Harrow Arts Centre (charges 95b)**

- 38) There are limited changes to fees and charges proposed for 2020/21. 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 4%.
- 39) The Studio hire charges are being removed as this hire is no longer available.

#### **Harrow Music Service (charges 96)**

- 40) The SLA fees and charges are proposed to increase by 3.5% after agreement with schools. Other charges have been rounded to the nearest pound.

#### **Library Service (charge 117)**

- 41) The Library Service was brought back in-house from 1st February 2018. Some fees and charges proposed to be increased by above or below 4% due to the rounding up or down of charges.
- 42) There is a new charge for reservations for items not available locally but available via London Libraries consortium or where specific stock purchase is required at cost recovery rate.
- 43) A new Town Centre Library is opening in spring 2020 and new rates reflect this alongside new rates for those hiring rooms for activities where space is used to run commercial events/activities.

- 44) New charges for Stanmore Studio as larger space than the other meeting room spaces.

#### **Housing (Charges 97 to 101)**

- 45) The fees and charges for Housing are proposed to have no increases for Bed & Breakfast and Private Sector Leased accommodation as these are set and restricted to Local Housing Allowance (LHA) rates 2011 by Housing Benefit Regulations. Rents for units owned by Council under Property Acquisition Programme (PAP) are based on LHA 2019 rates as those for 2020 have not yet been published, plus £45, which is considered recoverable and affordable by Housing Benefits. Barring removal of charges relating to affordable housing validation as this is now carried out by a third party there are no further changes.
- 46) Housing Traveller sites (charge 129) – The rents per week for traveller sites are now included, with an increase for 2020/21 of 2.7% which is in line with the general needs rental increase.

#### **Regeneration, Enterprise and Planning**

- 47) Building Control (**Charge 120**) - 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 currently there is an exercise being carried out to review these charges which will be reported at a later date.
- 48) Pre-Application charges (**charge 123a**) Following a review of the service provision for householder developments, Category J charges are to be reduced by 43% to align to benchmarking carried out and to encourage higher take up of the service.
- 49). Environmental Information - Community Infrastructure Levy (**charge 127**) – A new charge is introduced to supply environmental information relating to property searches. The charge is per liability notice and is £36.

#### **Resources Directorate (Appendix 3)**

- 50) The proposed fees and charges for 2020/21 for the Resources Directorate are detailed in Appendix 3.
- 51) Helpline and Telecare (**charge 2**) - The 2020/21 charges have not been increased in order for the pricing to remain competitive with other service providers in the market place.
- 52) Fees and charges (**charges 4 to 9**) covering Local Land charges, citizenship ceremonies, nationality checking and marriage & civil partnership for 2020/21 have been amended where appropriate to ensure appropriate cost recovery.

## **People's Directorate (Appendix 4)**

- 53) The proposed fees and charges for 2020/21 for the Peoples Directorate is detailed in Appendix 4. The schedule covers Adults services and Children and Families.
- 54) Where possible, discretionary charges for adult social care (Appendix 4 charges 1 to 5) will be increased as a move towards full cost.
- 55) 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.
- 56) 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.
- 57) 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.
- 58) Proposed Charges for arranging care for self funders (**charge 6**) – a new charge is proposed which is an administration charge for those residents who are assessed as self-funders (supported by the Care Act 2014). This administration charge would be made to recover the costs incurred by the Council in arranging care on that persons behalf.
- 59) The proposed fees and charges for the Children & Families Service are proposed to increase by approximately 4% to move towards full cost recovery, rounded where appropriate.

## **Performance Issues**

- 60) 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**

- 61) There are no material environmental impacts from the development and implementation of Fees & Charges and the changes detailed in the schedules to this report.
- 62) 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**

63) In proposing the 2020/21 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 and the monthly budget monitoring process.

## **Legal Implications: Powers to Charge**

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

65) 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.

66) 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.

67) 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.

68) 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.

69) 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**

70) 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.

## **Procurement Implications**

71) There are no Procurement implications arising from this report.

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

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

73) 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.

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

75) 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.

76) Some charges will not increase in 2020/21 and some will be reduced. In others, the level of charge is set by Government and not within the Council's control.

77) 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 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 2.4% as at September 2019. The difference represents a small movement towards full cost recovery.

## **Council Priorities**

78) This report deals with setting the Council's fees and charges for the financial year 2020/21, from 1<sup>st</sup> April 2020. The Council's priorities are set out below:

- Building a Better Harrow
- Supporting Those Most in Need
- Protecting Vital Public Services
- Delivering a Strong Local Economy for All
- Modernising Harrow Council

79) 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"/>	On behalf of Director of Finance
Date: 19.12.19		
Name: Paresh Mehta	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 20.12.19		

### **Section 3 – Procurement Clearance**

Name: Nimesh Mehta	<input checked="" type="checkbox"/>	On behalf of Procurement
Date: 19.12.19		

### **Section 3 – Corporate Director Clearance**

Name: Charlie Stewart	<input checked="" type="checkbox"/>	Corporate Director Resources
Date: 19.12.19		

### **Ward Councillors notified:**

**NO, as it impacts on all Wards**

### **EqIA carried out:**

Yes

**EqIA cleared by:**

## **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>NO</b>
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