

Report for: **Cabinet**

Date of Meeting:	21 January 2021
Subject:	Fees and Charges 2021/22
Key Decision:	Yes
Responsible Officer:	Dawn Calvert, Director of Finance and Assurance
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 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 2021/22.

Recommendations:

Cabinet is requested to:

1. Agree the Fees & Charges to be implemented from April 2021 (Appendices 2 to 4), except those fees and charges marked 'Statutory prescribed' or 'for noting only – non-Cabinet approval'.

2. Delegate authority to the Director of Finance and Assurance, to amend fees and charges in year and agree new fees and charges, in consultation with relevant Corporate Directors and Portfolio Holders.

Reason: (for recommendations)

To ensure the Council sets a schedule of fees and charges for 2021/22.

Section 2 – Report

Introduction

- 1) This report sets out the Fees & Charges that are proposed to be applied to services for the year 2021/22. This report asks Cabinet to delegate authority to the Director of Finance and Assurance, to amend fees and charges in year, in consultation with relevant Corporate Directors and 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 2021/22 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 3% (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 2020 is 1.1% and also provides for an element of movement towards full cost recovery.

Summary of Proposed Changes

Community Directorate (Appendix 2)

13) The 2021/22 proposed fees and charges for the Community Directorate are detailed in Appendix 2. In general, discretionary charges have been increased by 3% to allow for inflation, with suitable rounding, which is in line with the corporate guidance. Within the schedule, 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 in a separate report.

14) The Directorate has undertaken a review of its fees and charges. Where fees are not increased in accordance with the inflationary guide, they are set out and explained below:

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

15) Sport Pitches (charges 6 and 8) – No increase is proposed for Junior pitch lettings to encourage bookings from youth teams and support sport activities.

16) Pay & Display parking charges for On Street and Public Car Parks (charges 29, 37a and 37b) – These charges were last reviewed and revised in April 2020. No increase is proposed to help support local economy.

17) Special Waste Collection (charge 30a) – the charge for up to 4 items (both recyclable and non-recyclable) is reduced to encourage the use of the service which is anticipated to contribute positive to the issue of fly tipping.

18) Garden Waste Collection (charge 31) – The garden waste collection scheme was reviewed last year and the subscriptions were simplified as a result. The current charges reflect full cost recovery and therefore no increase is proposed.

19) Supply of bins (charges 32 and 33) – these charges remain at the same level as 2020/21 in order to remain competitive in the market.

20) Commercial Food Waste Collection (charge 33c) – these charges remain at the same level as 2020/21 to incentivise food premises to take up the service and to increase waste recycling.

21) Civic Amenity site (charge 35) – charges are held at the same level following a benchmarking exercise with neighbouring boroughs.

22) The Great Barn (charge 95a) – some of the hire charges (corporate events, dry hire and wedding ceremony) are kept at the same level in order to remain competitive with other local private venues.

- 23) Harrow Museum (charge 95a) – education and local history charges are kept at the same level to encourage uptake by schools and other organisations.
- 24) Meals on Wheels (charge 103) – No increase is proposed for meal charges pending a wider review on meals on wheels operation.
- 25) MOT bay (charge 107) – No change is proposed to MOT charges due to competition in the local market.
- 26) Libraries (charge 117) – No increase is proposed for printing and copying charges to remain competitive with local market and no increase in the charges for educational visits and Lego parties to increase uptake. Room hire charges are generally kept at 2020/21 level to remain competitive with local market. A reduction in loan charges for audio book cassette is proposed because of the reducing number of issues for this format with no new stock now being purchased. Some other charges are rounded to the nearest 5p.
- 27) Building Control (charge 120) - The current fees are slightly above the average charged by neighbouring boroughs following a benchmarking exercise. There is also competition from the private sector, therefore no increase is proposed in order to maintain our market share.
- 28) Self-build and Custom Housebuilding (charge 122) - No increase is proposed as these charges were newly set last year and current charges reflect full cost recovery.
- 29) Learn Harrow (charge 128) – course fees and registration charges are kept at 2020/21 level to encourage uptake by learners. Courses are currently delivered online due to Covid-19 restrictions.
- 30) Housing Temporary Accommodation (charge 98) - No change from the 2020/21 rates as the maximum amount of Subsidy which can be claimed remains at 90% x Local Housing Allowance (LHA) 2011 rates. Where temporary accommodation is leased by a Local Authority and provided to the homeless family / person, the maximum amount recoverable through the Housing Benefit system is restricted to 90% x LHA rates as they stood in 2011. The amount of LHA which can be claimed by homeless families / persons where the temporary accommodation is not provided through the Local Authority is not restricted and is paid to the claimant at the prevailing rates for that financial year.
- 31) Housing Adaptations (charge 100) - Fees for specialised adaptations for disabled persons in both private and Council owned accommodation remain unchanged at 21% which is included within the base budget and considered a fair estimate of the specialised nature of the professional services associated with these works.
- 32) Housing units under Property Acquisition Programme (charge 99) - As Local Authority owned accommodation LHA is not restricted to 90% x LHA 2011 rates but can be claimed at the prevailing rates for the financial year. LHA rates for 2021/22 have not yet been published although these are expected to increase at a rate below 3%.

Fees that are proposed to increase above the inflationary guidelines:

- 29) Off Street Business Permits (Car Parks) (charge 37e) – these charges have been reviewed and revised by comparing with the hourly or daily tariffs for the relevant car parks, but the proposed charges remain attractive to support local businesses.
- 30) Car Valeting and Other Services (charge 106) - these charges are rounded up to the nearest pound.
- 31) Trees for Parks and Highways (charge 2) – the charges have been increased to reflect full cost recovery.
- 32) Allotments (charge 3) and Trade Waste sack collection (charge 33a & 33b) - these charges are rounded up to the nearest 5p.
- 33) Music Service (charge 96) - the small group music tuition, after school clubs and instrumental lessons are increased to move towards cost recovery.

Introduction of new fees or new categories to fees:

- 34) Planning – use of 3D modelling (charge 123) – this will be a requirement for all large major developments.
- 35) Planning – admin fee for invalid applications (charge 125) – following benchmarking exercise, a new admin fee is introduced for any invalid householder application, full planning application and major application

Resources Directorate (Appendix 3)

- 36) The proposed fees and charges for 2021/22 for the Resources Directorate are detailed in Appendix 3.
- 37) Helpline and Telecare (**charge 2**) - The 2021/22 charges have not been increased in order for the pricing to remain competitive with other service providers in the marketplace.
- 38) Fees and charges (**charges 4 to 6**) covering Local Land charges, citizenship ceremonies, nationality checking and marriage & civil partnership for 2021/22 have been amended where appropriate to ensure appropriate cost recovery.

People's Directorate (Appendix 4)

- 39) The proposed fees and charges for 2021/22 for the Peoples Directorate is detailed in Appendix 4. The schedule covers Adults services and Children and Families.
- 40) Where possible, discretionary charges for adult social care (Appendix 4) are increased by 3 % as a move towards full cost.

- 41) 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.
- 42) 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.
- 43) 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.
- 44) Charges for arranging care for self funders (**charge 6**) – The Care Act enables Councils to fully recover costs for services to self-funders. In this respect, new charges were introduced in April 2020 with a set up cost (one-off) at £300 and annual review (ongoing) at £200. These costs were based on officer time however it has been identified that these costs were under assessed and did not cover the full staffing cost for these services. In order to fully recover costs, there is an increase of £150 (50%) to £450 in relation to the one-off charge and a £40 (20%) increase to £240 for the annual ongoing cost. There are currently approximately 190 self-funders for whom care is arranged by the Council, although it is difficult to know how many new self-funders will require services in 2021-22.
- 45) The proposed fees and charges for the Children & Families Service are proposed to increase by approximately 3% to move towards full cost recovery, rounded where appropriate.

Performance Issues

- 46) 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

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

48) 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

49) Risks included on corporate or directorate risk register? **No**

50) Separate risk register in place? **No**

51) The relevant risks contained in the register are attached/summarised below. **n/a**

52) The following key risks should be taken onto account when agreeing the recommendations in this report:

Risk Description	Mitigations	RAG Status
Increase in charges have an adverse effect on demand for the service	<ul style="list-style-type: none"> ▪ The impact of an increase having an adverse effect on demand is fully considered when deciding on the level of the increase. ▪ Charges do not always increase and can be frozen at the prior year level or even reduced. ▪ Fees and charges will be monitored through the Council's various relevant performance indicators and the monthly budget monitoring process. 	
Adverse impact on Council's budget of not setting charges to fully recover costs	<ul style="list-style-type: none"> ▪ The income from fees and charges is factored into the Council's budget setting process and therefore the fact that most charges do not fully recover costs is already factored into the budget. ▪ As per para 12 where possible, and consistent with the Council's service priorities, it is proposed to increase charges to move towards full cost recovery. 	
Powers to charge are exceeded	<ul style="list-style-type: none"> ▪ When new charges are set, the service will set the charge at a level to either recover costs or for the charge to be subsidized and therefore it is set at a level where costs are not over recovered. ▪ Where fees and charges exceeded the 	

	cost of providing the service, the service budget would be a net income budget and not a net cost budget which is not the current situation.	
--	--	--

Legal Implications: Powers to Charge

- 53) Local authorities have a variety of powers to charge for specific statutory services set out in statute.
- 54) 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.
- 55) 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.
- 56) 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.
- 57) 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.
- 58) 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

- 59) 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

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

Equalities implications / Public Sector Equality Duty

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

62) A public authority must, in the exercise of its functions, have due regard to the need to:

- a. ● Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- b. ● Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- c. ● Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

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

64) 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.

65) Some charges will not increase in 2021/22 and some will be reduced. In others, the level of charge is set by Government and not within the Council's control.

66) 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 3%, 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 1.1% as at September 2020. The difference represents a small movement towards full cost recovery.

Council Priorities

67) This report deals with setting the Council's fees and charges for the financial year 2021/22, from 1st April 2021. The Council's priorities are set out below:

- Improving the environment and addressing climate change
- Tackling poverty and inequality
- Building homes and infrastructure
- Addressing health and social care inequality
- Thriving economy

68) 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

Statutory Officer: Dawn Calvert

Signed by the Chief Financial Officer

Date: 13th January 2021

Statutory Officer: Paresh Mehta

Signed on behalf of the Monitoring Officer

Date: 12th January 2021

Chief Officer: Charlie Stewart

Signed off by the Corporate Director

Date: 13th January 2021

Head of Procurement: Nimesh Mehta

Signed by the Head of Procurement

Date: 5th January 2021

Head of Internal Audit: Susan Dixon

Signed by the Head of Internal Audit

Date: 13th January 2021

Mandatory Checks

Ward Councillors notified: NO, as it impacts on all Wards

EqIA carried out: YES

EqlA 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