

Report for: Cabinet

Date of Meeting:	19 January 2023
Subject:	Fees & Charges 2023/24
Key Decision:	Yes
Responsible Officer:	Dawn Calvert - Director of Finance and Assurance
Portfolio Holder:	Councillor David Ashton - Portfolio Holder for Finance & Human 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: Place 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 2023/24.

Recommendations:

Cabinet is requested to:

1. Agree the Fees & Charges to be implemented from April 2023 (Appendices 2 to 4), except those fees and charges marked 'Statutory prescribed' or 'for noting only – non-Cabinet approval'.
2. Authorise the Director of Finance and Assurance to amend fees and charges in year and agree new fees and charges, following consultation with relevant Corporate Director(s) and approval of relevant Portfolio Holders.

Reason (for recommendations):

To ensure the Council sets a schedule of fees and charges for 2023/24.

Section 2 – Report

Introduction

- 1) This report sets out the Fees & Charges that are proposed to be applied to services for the year 2032/24. 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. Therefore, the Council's only option is to review and set its charges for implementation for each year and seek to recover its costs. There are no alternative options.

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 2023/24 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 2023/24

12) The Charging Policy provides guidance on the factors to consider when reviewing charges. Where possible, and consistent with the Council's service priorities, charges are increased to ensure a move towards full cost recovery. The general practice has been to increase fees and charges by a % to cover the September RPI increase and an additional 1 to 2% towards full cost recovery. However, given that the September 2022 RPI was 12.6%, this would mean setting a standard increase of around 15%. Given the current economic climate and challenges already faced by residents, the proposed increases are between 7 and 10% (rounded up or down as appropriate) which is less than September Retail Price Index of 12.6%.

Summary of Proposed Changes

Place Directorate (Appendix 2)

13) The 2023/24 proposed fees and charges for the Place Directorate are detailed in Appendix 2. In general, discretionary charges have been increased by between 7 and 10%, 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) Cemetery fees (charges 15 and 16) - All resident charges relating to child burials are to continue to be free of charge, to support families during one of the most traumatic events a family can face and reduce the burden families face during such a difficult time.

16) Bulky Waste Collection (charge 30) – the new pricing structure will commence in January 2023 following Cabinet approval of the introduction of free collection and the subsequent charges within year. Therefore, these charges are to be kept the same in 2023/24.

17) Garden Waste Collection (charge 31) - Changes to the service are being proposed, with the discontinuation of the summer collection service option from April 2023. The charge for the annual only service will reduce from £75 to £65 to encourage the uptake of the service to increase garden waste recycling across the borough. The benchmarking data suggests that very few councils offer a discount for residents on benefits, and for those that offer a discount, the discounted rate is much higher than Harrow. Therefore, the discounted rate for 2023/24 is proposed to be increased from £25 to £32.50. In addition, there are changes to the prices for additional bins to be more in line with neighbouring boroughs.

- 18) Supply of bins (charges 32 and 33) – the charges for larger sized bins are kept at the same level as 2022/23 in order to remain competitive in the market.
- 19) Training Courses (charge 43) – the charges are kept the same as 2022/23 pending a complete review of the training academy service delivery model.
- 20) Local Authority Pollution Control (charge 55) – the charges are revised to reflect the 2022/23 DEFRA fees. When the new fees are set by DEFRA for 2023/24, the fees will be updated accordingly.
- 21) Harrow Music Service SLA charges music tuition (charge 96) – An average of 5% increase is proposed as a higher uplift could have a negative impact on the number of sign-ups due to schools' budget constraints.
- 22) Housing Temporary Accommodation (charge 98) - No change from the 2022/23 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 private 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.
- 23) Housing units under Property Acquisition Programme (charge 99) -As Local Authority owned accommodation rent can be set at what is considered a reasonable market rent and not restricted to 90% x LHA 2011 rates. Therefore, prevailing LHA rates for the financial year are considered reasonable. LHA rates for 2023/24 have yet to be published.
- 24) 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.
- 25) Electric Vehicle Charging Points (charge 118) – The charging fee is kept at the same level as 2022/23 in order to incentivise electric vehicle ownership and use.
- 26) Learn Harrow (charge 128) – course fees are kept at 2022/23 level to encourage uptake by learners. Learn Harrow targets those out of work or earning less than London Living Wage and therefore proposes no increase in fee. Learn Harrow service is 100% externally funded.

Fees that are proposed to increase above the inflationary guidelines:

- 27) A thorough review has been taken on all the fees and charges in Highway and Parking Services, having taken into account the inflation, staffing cost recovery and benchmarking against the fees in neighbouring boroughs. As a result, an increase of 10% is proposed for the following items.
 - Tree donations for Parks & Highways (charge 2)
 - S38 / S278 supervision fees (charge 17)

- Licences for Projections over the Highway (charge 18)
 - Vehicles Crossings (charge 19)
 - Street Works licence (charge 20)
 - Adding or changing a name of an existing property or address (charge 22)
 - Temporary traffic restrictions for highway works (charges 23-25)
 - Parking permits (charges 37c – 37h)
 - Parking suspensions (charge 38)
 - Parking discretionary Lettings (charge 39)
 - Street works - Inspection fees (charge 65)
 - Scaffolding Licence (charge 84)
 - Hoarding Licence (charge 85)
 - Crane (Lifting Equipment) Licence (charge 86)
 - Advertising Board Licence (charge 87)
 - Stopping up of Highways (charge 88)
 - Highway enquiries (charge 89)
 - Street Naming and Numbering (charge 90)
 - Environmental Information (charge 102)
 - Professional Advice – Highway (charge 110)
- 28) On Street Parking Charges (charge 37a) – A 10p increase is proposed for locations where the current charges are 80p or 50p per 20 minutes. For long stay, a 50p increase is proposed so the new charge is £5.50 per visit. These will bring our charges more in line with neighbouring boroughs. For locations where the current charges are 20p or 40p per minutes, no changes are proposed.
- 29) Off Street Parking Charges (charge 37b) – A 10p increase is proposed for the majority of the tariffs, so that the change is in line with the increase for On Street Parking charges.
- 30) Collections for Trade Recycling (charge 33b) – the charge for sack collection is increased to reflect that sacks now have 10 litres of extra capacity.
- 31) Pest Control (charge 40) – an increase of 10% is proposed to reflect the cost of providing the service.
- 32) A number of discretionary fees under Licensing have been reviewed and an increase of 10% is proposed to reflect staffing time and costs in processing applications for the following:

- Condemnation Certificate for Food Considered Unfit for Human Consumption (charge 41)
 - Amendments to Registers (charge 42)
 - Copies of entries on Public Register (charge 45)
 - Copies of entries on Food Premises Register (charge 46)
 - Health, Safety and Environmental Information (charge 48)
 - Health Certificates (charge 50)
 - Special Treatments (charge 68)
 - Sex Entertainment Venue (charge 70)
 - Sex Shops (charge 71)
 - Immigration Inspections (charge 74)
 - Scrap Metal and Salvage (charge 75)
 - Housing of Multiple Occupation (charge 78)
- 33) Following a review of current licensing fees and the actual costs of providing the services, Animal Boarding Establishment (charge 80), Dangerous wild animals (charge 81), Performing Animals (charge 82), Riding Establishments (charge 83) and Food Hygiene Rating Scheme Re-rating visit (charge 92) are increased to reflect full cost recovery.
- 34) Hourly rates are reviewed to calculate the charges for Environmental Information (regulations) (charge 47), Service of Hazard Awareness Notice (charge 51) and Prohibition/Emergency Prohibition Orders (charge 52), in order to recover full costs.

Introduction of new fees or new categories to fees:

- 35) Event Hire of Asset/Open Space (charge 13) – A new charge is introduced for Fitness & Small-group activity permit to ensure this category of activities is correctly permitted and to protect our park assets from damage.
- 36) Harrow Museum & Great Barn (charge 95a) – New charges are introduced for photography on site, research service, copying & scanning service, behind the scenes tour, lectures and reproduction of images.
- 37) Harrow Arts Centre (charge 95b) – The hire charge for Boiler House (for performances and functions) is added.
- 38) Planning Discretionary Charges (charge 125) – New charges are introduced for any request to confirm compliance with an enforcement related notice and any request to withdraw an enforcement notice to ensure that staffing costs associated with these are recovered.

Resources Directorate (Appendix 3)

- 39) The proposed fees and charges for 2023/24 for the Resources Directorate are detailed in Appendix 3.

- 40) Helpline and Telecare (**charge 2**) - The 2023/24 charges have not been increased in order for the pricing to remain competitive with other service providers in the marketplace who provide this service to vulnerable residents in the Community.
- 41) Local Land Charges (**charge 4**) – the charges have been increased by 6% to 13% where appropriate to bring them in line with benchmarking information from other neighbouring authorities.
- 42) Registration Services (**charges 5**) – this covers citizenship ceremonies and marriage & civil partnerships charges. The charges have been increased by between 5% and 11% where appropriate to bring them in line with benchmarking information from other neighbouring authorities.

People's Directorate (Appendix 4)

- 43) The proposed fees and charges for 2023/24 for the Peoples Directorate is detailed in Appendix 4. The schedule covers Adults services and Children and Families.
- 44) Where possible, discretionary charges for adult social care (Appendix 4) are increased by 7 % as a move towards full cost recovery.
- 45) 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.
- 46) 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.
- 47) 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 and the figure noted is an estimate of the likely charge, although the actual costs will be invoiced . 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 .
- 48) Charges for arranging care for self-funders (**charge 6**) – the Care Act enables Councils to fully recover costs for services to self-funders. In order to fully recover costs in 2023/24, the set up charge needs to be £483 (an increase of 4% on 2022/23) and £261 for the annual ongoing review cost (an increase 7% on 2022/23).
- 49) The fees and charges for the Children & Families Service are proposed to increase by approximately 7% to move towards full cost recovery, rounded where appropriate.

Performance Issues

50) Income forms part of the monthly Monitoring which is sent to both the Corporate Strategic 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

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

52) 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

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

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

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

56) 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. 	Green
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 	Green

	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 would be adjusted accordingly in the following year. 	Green

Legal Implications: Powers to Charge

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

58) The Local Government Act 2003 also provides a power to trade and a power to charge for discretionary services, the latter on a cost 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.

59) 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.

60) 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.

61) 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.

62) 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

63)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

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

Equalities implications / Public Sector Equality Duty

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

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

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

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

68)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.

69)Some charges will not increase in 2023/24 and some will be reduced. In others, the level of charge is set by Government and not within the Council's control.

70)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 between 7% and 10%, 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 12.6% as at September 2022. The difference in most cases represents a small movement towards full cost recovery.

Council Priorities

71) This report deals with setting the Council's fees and charges for the financial year 2023/24, from 1st April 2023. The Council's priorities are set out below:

- A council that puts residents first
- A borough that is clean and safe
- A place where those in need are supported.

72) 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: 20/12/2022

Statutory Officer: Kaniz Ali

Signed on behalf of the Monitoring Officer

Date: 10/01/2023

Chief Officer: Dawn Calvert

Signed by the Chief Financial Officer

Date: 20/12/2022

Head of Procurement: Nimesh Mehta

Signed by the Head of Procurement

Date: 23/12/2022

Head of Internal Audit: Susan Dixon

Signed by the Head of Internal Audit

Date: 04/01/2023

Has the Portfolio Holder(s) been consulted? Yes

Mandatory Checks

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

EqIA carried out: No

EqIA cleared by: N/A

Section 4 - Contact Details and Background Papers

Contact: Sharon Daniels, Head of Strategic and Technical Finance (Deputy S151) Email: sharon.daniels@harrow.gov.uk

Background Papers: None

Call-in waived by the Chair of Overview and Scrutiny Committee - NO