

REPORT FOR: **CABINET**

Date:	11 February 2010
Subject:	Fees and Charges for Council Services
Key Decision:	No
Responsible Officer:	Myfanwy Barrett: Corporate Director Finance
Portfolio Holder:	David Ashton (Leader and Portfolio Holder for Strategy, Partnership and Finance)
Exempt:	No
Decision subject to Call-in:	Yes
Enclosures:	Appendix 1 schedule of proposed charges for 2010-11

Section 1 – Summary and Recommendations

This report sets out proposals for fees and charges made by the Council for 2010-2011.

Recommendations:

Cabinet is requested to:
Approve the proposed fees and charges in the attached schedule.

Reason: (For recommendation)

To enable the effect of changes in fees and charges to be factored into the Council's revenue budget for 2010-11.

Section 2 – Report

Introductory paragraph

1. The Council raises significant sums, in the region of £19m, from applying fees and charges to its services. It is therefore important to review fees and charges taking account of a range of factors:

- The need to maximise income to support service provision and development.
- The social context of charging, and how this is supported by concessions and targeted support to specific groups to support the wider strategic objectives of the Council.
- Regulatory restrictions on charging
- The existence of alternative service providers who are in competition with the Council in respect of some services
- The extent to which there is an elasticity of demand.

The framework that the Council applies was agreed at Cabinet on 14 February 2008 as part of the budget report. It will however be further considered and developed during 2010-11.

Options considered

2. The draft budget proposals include a default assumption that charges will increase at 2%, for those charges that the Council sets itself. This is in the context of inflation as measured by CPI being 2.9% in December 2009 and RPI 2.4%. There are however a number of areas in the proposals where alternative proposals have been made, for either greater or lower increases and in some cases reductions. The most significant of these are in the following areas:

3. Car Parking. It is proposed to hold prices at their current level in order to provide a boost to economic activity in the shopping centres within the borough.

4. Home care charges. It is proposed that there is no increase in the hourly rate charged, in order to minimise the financial burden on this vulnerable group.

5. Civic centre car park. The charges for the first one and two hours have been increased by 14% and 20% to deter inappropriate use.

6. Waste. Commercial charges have been increased by varying amounts above 2%, to reflect the impact on costs arising from the landfill tax.

7. Pest Control. The Council is able to provide pest control services and to

make a charge for the services, and the active control of pests is something the Council wishes to encourage for hygiene and environmental improvement reasons. However there are also a number of private sector pest control providers covering the whole range of services provided by the Council and the intention in setting the charge is to provide fair and competitive fees but not subsidised services.

8. The approach up to now has been to charge a significantly higher level for commercial domestic premises than for individuals, and the definition of a commercial premise has included rented domestic properties. In practice the landlords of such premises frequently expect or require the preventative measures and the treatment of pests to rest with the tenant, and the higher fees have deterred tenants from using the service. By introducing a common standard rate across domestic properties, and an effective reduction for rented properties, it is anticipated that there will be an increase in demand. It has also been necessary to set this fee at a level higher than the previous domestic premises fee. This is because the service was not recovering the cost of the service sufficiently using the previous fee and the new higher rate remains competitive when compared with rates charged by the private sector.

9. Harrow Arts Centre. Charges for lettings have been increased by 5%. This is in order to bring the rates charged in line with market rates.

10. Housing. Charges for Bed and Breakfast accommodation have been reduced by 48% and for private sector leased temporary accommodation by between 1.9% and 40%. This is to reflect changes in the housing benefit subsidy system.

11. Registrar of births, deaths and marriages. It is proposed to reduce a number of fees where our charges are above those charged by neighbouring authorities and consequently there has been little or no take up.

12. Building Control Charges. These are not included currently as the relevant legislation is changing with an anticipated implementation date of 1 April 2010. Once details of the changes are known, the charges will be the subject of a separate report.

13. The detailed charges are attached to this report at appendix 1.

In addition to the charges that the Council sets itself, there are a range of charges e.g. Planning fees, that are set in legislation. These are included for information.

Financial Implications

14. This report sets out proposals for charging in 2010-11 and the anticipated effect of them has been factored in to the revenue budget proposals being considered elsewhere on this agenda.

Performance Issues

15. Applying charges where appropriate is an important factor in enabling the authority to demonstrate value for money. If all or part of the cost of a service

can be covered by charges to the service user, the application of revenue from local and national tax can be reduced.

16. Demonstrating that the right level of charges is in place contributes to the Use of Resources judgement under Comprehensive Area Assessment. Although the Audit Commission's Key Lines of Enquiry do not refer explicitly to income generation, the auditors review levels of fees and charges and their impact on cost of services annually.

17. There are however difficulties in raising charges during the recession. The changes proposed for 2010-2011 are in general not significant and will not alter Harrow's overall performance other than marginally.

Environmental Impact

18. There are no specific environmental implications.

Risk Management Implications

19. Risk included on Directorate risk register? No

Separate risk register in place? No

The main risk lies in there being a downturn in the take up of services as a result of the recession. This has been minimized by the majority of increases being 2% or lower. The achievement of income budgets will be closely monitored during the year.

Corporate Priorities

20. The fees and charges proposals do not directly impact on the corporate priorities, however they do indirectly. By minimizing charges there is an impact on improve support for vulnerable people by making them affordable. There is also a beneficial impact on the local economy, which helps to build stronger communities.

Section 3 - Statutory Officer Clearance

Name: Steve Tingle.....	<input checked="" type="checkbox"/>	on behalf of the* Chief Financial Officer
Date: 20 January 2010.....		
Name: George Curran	<input checked="" type="checkbox"/>	on behalf of the* Monitoring Officer
Date: 20 January 2010.....		

Section 4 – Performance Officer Clearance

Name: David Harrington	<input checked="" type="checkbox"/>	on behalf of the* Divisional Director Partnership, Development and Performance
Date: 20 January 2010.....		

Section 5 – Environmental Impact Officer Clearance

Name: Andrew Baker	<input checked="" type="checkbox"/>	on behalf of the* Divisional Director (Environmental Services)
Date: 20 January 2010.....		

Section 6 - Contact Details and Background Papers

Contact: Steve Tingle, Finance Business Partner (Financial Planning & Technical) 020 8420 9384

Background Papers:

Cabinet 14 February 2008, Revenue Budget 2008-09 and Medium Term Financial Strategy 2008-09 to 2010-11, Appendix J Revenue Income Optimisation Framework.

Call-In Waived by the Chairman of Overview and Scrutiny Committee	NO
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