

CABINET

14 November 2017

Title: Fees and Charges 2018	
Report of the Cabinet Member for Finance, Growth and Investment	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
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Accountable Director: Kathy Freeman, Finance Director	
Accountable Strategic Director: Claire Symonds, Chief Operating Officer	
Summary <p>The Council provides a wide range of services to residents, visitors, local businesses and others. Some services are provided free of charge at the point of need, for others it is fairer and more appropriate that the service user should pay for the services received. The ability to charge for some services has always been a key funding source to Councils and will continue to be so.</p> <p>This report concerns itself with recommending the appropriate level of fees and charges across all directorates, to take effect from 1 January 2018 unless otherwise stated.</p> <p>In preparing the proposed fees and charges, Services have worked within the framework of the agreed Charging Policy. Each service has been reviewed and the charges are set at a fair and reasonable level which wherever possible is in line with competitive market rates for the service.</p> <p>The full list of proposed charges is detailed in Appendix A to this report.</p>	
Recommendation(s) <p>Cabinet is recommended to:</p> <ul style="list-style-type: none">(i) Agree the proposed fees and charges as set out in Appendix A to the report, to be effective from 1 January 2018 unless otherwise stated;(ii) Note the fees and charges no longer applicable from 1 January 2018, as set out in Appendix B to the report; and(iii) Delegate authority to the Strategic Director for Service Development and Improvement, in consultation with the Chief Operating Officer and the relevant Cabinet Members, to set fees and charges to be applied from September for schools and academic year based activities.	

Reason(s)

The setting of appropriate fees and charges will enable the Council to generate essential income for the funding of Council services.

The approval of reviewed fees and charges to ensure that the Council is competitive with other service providers and neighbouring councils.

1. Introduction and Background

- 1.1 Local Authorities provide a wide range of services to their residents and others and the ability to charge for some of these services has always been a key funding source.
- 1.2 Fee charging or income generating services are generally those services which are not provided on a universal basis, but are specific to an individual or an organisation. For this reason, it is fair and appropriate to make a charge to the service user. Fee charging services include both statutory and discretionary services. Where fees and charges apply to mandatory services, these are often set nationally, for example planning fees.
- 1.3 The remaining income services where the Council levies fees and charges are of a discretionary nature. These cover a whole range of services such as Libraries, Licensing, Pest Control, Commercial Waste, Drainage, Markets, Leisure and Recreation facilities, Parking and the Registrar service. This report concerns itself with recommending the appropriate level of fees and charges from 1 January 2018 for these types of services.
- 1.4 In addition to those traditional income services, the Council also has the power under the Local Government Act 2003 to charge for other discretionary services that it may already provide or may wish to provide in the future.
- 1.5 There is no definitive list as to which discretionary services are covered by the powers provided in the Act although the Government has provided limited examples of what could be included, such as maintenance of older/disabled peoples' gardens, arboriculture work in private gardens, operating consumer protection approved lists, pre-application planning and development advice, highway services to private industrial estates, home energy advice, home security services and use of excess capacity in local authority services.
- 1.6 To date, in keeping with most other local authorities, the Council has not expanded use of these powers but will continue to review the potential to do so when there is a sound business case for doing so.

2. Charging Policy

- 2.1 The Council has an agreed Charging Policy which requires that all charges are reviewed annually as part of the budget setting process.
- 2.2 The Charging Policy has three fundamental principles:
 - Services should raise income wherever there is a power or duty to do so;

- Wherever possible the income raised should cover the full costs of providing the service including all overheads;
- Any departures from this policy must be justified in a transparent manner with reference to the Council's priorities and policies.

2.3 In practice the presumption is that the Council will use inflation as an indicator of how much fees and charges should rise and this is the default position. The most recently published inflation figure is used which is August. The August RPI figure was 3.9% and this has been applied in most instances to the current charge. This is then rounded to the nearest appropriate figure.

Proposed Fees and Charges 2018

2.4 Attached to this report at Appendix A are the proposed fees and charges for 2018 which will be effective from 1 January 2018 unless otherwise stated. The Appendices detail the following information:

- Description of service provided;
- Current 2017/18 charge;
- Proposed charges from 1 January 2018;
- Proposed increase in pounds and in percentage terms;
- The rationale for a given increase (other than uplift by inflation), as well as any other comments.

2.5 In most cases fees and charges have been increased by the Retail Price Index (RPI) as at August 2017 of 3.9% rounded up to the nearest sensible figure.

2.6 A summary of the services that Appendix A relates to is presented within the following sections. The reference numbers quoted below relate to the line reference numbers on Appendix A.

2.7 It should be noted that some charges that were previously set by the Cabinet are no longer within the Council's direct control. These include the charges for Leisure centres which are now the decision of our commercial provider and discretionary charges for planning and capital delivery which are now the responsibility of Be First, though all changes will be in consultation with the Council.

2.8 There are a number of special considerations for some services which are outlined below.

3. Service by Service Review

Care and Support Services – lines 1 to 5

3.1 The Care Act 2014 gives local authorities the power to charge service users and carers for care and support within a set framework. All Councils with Social Care responsibilities are required to have a charging policy that complies with this framework. London Borough of Barking and Dagenham's charging policy is Care Act compliant and is regularly reviewed – most recently at February 2016.

3.2 Under this policy charges levied to service users are means tested to ensure no individual is required to pay more than they can reasonably afford and no more than

the cost of the care provided. In practice this limits the additional income that is received as a result of fees and charges. The charges for some in-house services have been uplifted in line with inflation but in all cases the cost charged will be subject to these means tests.

Community Solutions – Lines 6 to 105

- 3.3 The Council now only runs the Abbey Early Years Day Nursery and fees are set at three levels: full time weekly rate, a daily rate for a morning session and a daily rate for an afternoon session. Fees are being increased to ensure sustainability of running the site and to ensure that fees cover the required staffing ratio while remaining affordable.
- 3.4 Charges for hostels are currently being reviewed in line with the Council's overall housing policy and the costs of providing the service. This will be reflected in the rent setting report along with HRA rents.
- 3.5 Other charges – mainly library service charges and room hire – have been set with regard to a range of considerations such as charges by similar services elsewhere. The reasoning is set out in the appendix.

Education, Youth and Childcare - lines 106 to 129

- 3.6 The main charges in this area are for room hire. The rates have been set with reference to other similar venues in the area.

Culture and Heritage Services – lines 130 to 252

- 3.7 The Heritage service has set its charges with the overall aim of ensuring that costs are covered as far as possible while still remaining in line with its competitors. For this reason, charges have been reviewed individually and different increases applied depending on the circumstances and some new charges have been introduced. Full details are set out in the appendix.
- 3.8 The Council has recently adopted a Parks and Open Spaces strategy and will be reviewing its charges for events as a result. In the interim a small number of new charges have been introduced and inflationary increases applied to others.

Growth and Homes services – lines 253 to 308

- 3.9 The administration costs associated with Right to Buy and Right to Acquire are being increased by inflation in line with the overall charging policy, as are street naming and numbering services.
- 3.10 There has been a review of Planning services and charges have been set in line with the market and the actual cost of the service. The increases for the different services are set out in the appendix.

Enforcement – lines 309 to 742

- 3.11 Many fees and charges within Enforcement are statutorily set with no discretion. This is set out in the appendix. Other charges have generally been increased by inflation except where it can be justified in terms of cost recovery in building control.

- 3.12 Some new charges have been introduced within Housing regulatory services including new charges for very large HMOs and changes to discretionary licenses.
- 3.13 Market charges however have been held down to ensure the ongoing viability and competitiveness of the market. It should be noted that increases in these charges are subject to statutory consultation.

Parking – lines 491 to 607 (subset of Enforcement)

- 3.14 A new Parking Strategy was adopted by the Council in autumn 2016 and this was followed by a new pricing structure and charges for parking permits from January 2017. One of the main priorities of the new Strategy is to “Ensure that the low emissions and air quality strategy for London is at the heart of decision-making”, and it is because of this there is a review of the charging mechanisms for resident parking permits. In principle, the Council will want to encourage the use of Electric d low emission cars whilst discouraging higher emission vehicle and diesel vehicles. In order for the review to be undertaken no changes to Resident parking permits is proposed at this time.
- 3.15 It is proposed to increase pay and display and other parking charges to ensure these facilities are bringing in sufficient income. Charges still compare well with those charged by other boroughs and private operators, however the impact on usage will be monitored. Over time, the changing nature of the borough such as new residential /commercial developments and the development of the night economy will mean a review of the parking provision and charges.

Flood/Drainage Services – line 743

- 3.16 As a Lead Local Flood Authority Barking and Dagenham Council has responsibility for providing consents and taking enforcement action related to ordinary watercourses. This is a chargeable service across all Local Authorities; however B&D have not previously charged for this service which should support the resource to undertake the statutory duties making it income generating.

Public Realm – lines 744 to 857

- 3.14 Charges for Pest Control have been reviewed and simplified to make them easier for customers to understand. Charges have also been increased to ensure that there is full cost recovery and the service is in line with the market. This is expected to achieve additional income to achieve the new MTFS saving for the service.
- 3.15 Cemetery costs have been reviewed in detail. Although most charges have been increased by inflation, in specific cases where we are not recovering our full cost or are out of line with neighbouring facilities a higher increase is proposed. This is shown in the appendix.
- 3.16 New charges have also been calculated for street cleansing and graffiti services where they are commercially charged for (i.e. to events or private landlords.) The charges are set on the basis of full cost recovery.

Legal Services – lines 894 to 927

- 3.17 Legal Services currently make charges for a limited range of services to external bodies. It is proposed to bring in new fees for Commercial Property (External Party Fees). These are the legal fees to be levied on third parties such as the existing commercial shop keepers (tenants of commercial properties within the Council's property portfolio), new commercial tenant/s of the Council or anyone who wishes to purchase land from the Council. The proposed Commercial Property fees are discretionary (not statutory) charges which are deemed to be reasonable, justifiable and proper relative to the cost of the provision, and will be reviewed and monitored on an annual basis. The fees have been benchmarked against fees for comparable matters charged by Hackney Council, Haringey Council, Tower Hamlets and Thurrock Borough Council, and are broadly similar.

Leisure Services – not on the schedule

- 3.18 As part of the Council's drive to get the borough in shape, Sports and Leisure Management Ltd (SLM) have been appointed to manage the borough's leisure centres and athletics stadium.
- 3.19 The Council's Leisure operator, introduced their pricing policy prior to the commencement of the contract and this will be reviewed a minimum of one month prior to the start of the financial year on an annual basis.
- 3.20 The Operator's Pricing Policy shall be developed in such a way as to support the delivery of the Council's outcomes, the annual service plan and the KPIs and participation targets. The pricing policy must promote the principles of equality of access and encourage the use of the services and facilities by all sections of the community, especially those people who are economically disadvantaged.
- 3.21 They must operate a concession scheme that offers discounts and other benefits to encourage use of the services and facilities by those people who are less likely to use the services and/or are economically disadvantaged. The Operator must have a full policy of eligibility, percentage discounts for each relevant service and activity at the facilities.
- 3.22 The Operator are free to provide offers and/or discounts at their discretion to encourage use of the services and facilities.
- 3.23 The Operator shall not increase prices for any core and/or concessionary activities and events by more than CPI per annum without the prior approval of the Council.
- 3.24 Charges for any services outside of those core and/or concessionary activities and events required by the Council in line with the specification will be at the Operator's discretion provided they do not in any way inhibit the achievement of the Council's outcomes or any other requirements.

4 Impact on the MTFS

- 4.1 There are some savings associated with fees and charges explicitly set out in the MTFS for the following services:

Heritage Income £15k

Cemeteries	£88k
Parking	£250k
Pest Control	£20k
Education Services	£35k
Fees and Charges	£20k (for Enforcement and Public Realm.)

- 4.2 In other instances the increase in income is fairly marginal and will be used by the providing department to offset increases in costs associated with providing the service.

5 Financial Implications

- 5.1 The financial implications are considered throughout this report. Additional income will be generated from increases but this is variable as it is also dependent on demand for the services.

6 Legal Implications

Implications completed by Suzan Yildiz, Deputy Head of Law

- 6.1 The report seeks Cabinet approval to the fees and charges set out in Appendix A and the basis for the charging (pursuant to statutory duties or discretionary powers) and rationale are set out in Appendix. In some instances, certain charges levied in previous financial years are either (i) no longer applicable or (ii) are simplified, therefore, the legal implications are not considered. To the extent that Appendix A proposes increases to charges or the imposition of new charges, the legal powers and considerations detailed below are relevant. Officers have ensured the charges proposed in Appendix A are in line with its Charging Policy, benchmarked against other similar authorities and in many cases the increases are linked to the rise in Retail Prices Index (RPI) as an indicator of the rising cost of provision of services.
- 6.2 The Council is required under the Local Government Finance Act 1992 to produce a 'balanced budget'. Income generated from fees and charges contributes to the Council's finances. Local authorities are under an explicit duty to ensure that their financial management is adequate and effective, and that they have a sound system of internal control and management of financial risk. The annual review of fees and charges contributes to this requirement.
- 6.3 Local authorities have wide ranging powers to charge for specific statutory services as stipulated in relevant statutory provisions.
- 6.4 By virtue of Section 93 of the Local Government Act 2003, the Council has powers to trade and to charge for discretionary services. The latter are services which the Council is not statute bound to provide, but has a 'discretionary power' to provide on a costs recovery basis. The discretionary power to charge for services is applicable where:
- no statutory duty exists to provide the service/s
 - there are no specific powers to charge for the particular service/s
 - there are no prohibitions on charging for the particular service/s
- 6.5 Further, under the Localism Act 2011 the Council has a general power of competence conferring a power to charge for services on a cost recovery basis and

subject to similar conditions and limitations under the Local Government Act 2003. Thus the Council may only charge for a service under the general power of competence if: -

- it is a discretionary service
- the service user agrees to the service being provided, and
- there are no other power/s to charge for the service, including under section 93 of the Local Government Act 2003.

- 6.6 Where authorities have a duty to provide a statutory service to specified standards free of charge, a charge cannot be made for delivery of the service to the specified standard. Delivery, to a standard above and beyond that which is specified may constitute a discretionary service for which a charge can be made on the basis outlined above.
- 6.7 Some of the charges proposed in Appendix A arise from specific statutory powers (i.e. where the general powers in section 93 of the Local Government Act 2003 or section 1 of the Localism Act 2011 are not applicable).
- 6.8 The Council has a power under section 32 of the London Local Authorities Act 1990 to recover its reasonable administrative or other costs in connection with its street trading functions under Part 3 of the Act, such as the grant, renewal or variation of licences, collection or removal of refuse connected with licence holders, street cleansing and reasonable costs of administration and enforcement associated with street trading. In this instance, there is no significant change to the nature or type of charges proposed. These have merely been brought in line with RPIX to ensure reasonable recovery and continued service provision.
- 6.9 The Care Act introduced a single legal framework for charging for care and support including discretion as to whether or not to charge. The Council may charge adults in circumstances where it arranges care and support to meet a service user's needs, except where the Council is statutorily required to arrange care and support free of charge. Officers deem the Council's charging policy to be Care Act compliant. The policy is regularly reviewed and the charges are means tested to ensure that service users pay no more than they can reasonably afford.

7 Other Implications

- 7.1 **Risk Management** - In proposing these revised fees and charges officers have considered the potential of increases to adversely affect demand for or access to the services specified by end users, as well as the achievement of community priorities for particular service areas and the Council's overall budget to deliver such services
- 7.2 **Customer Impact** – Officers have amended fees and charges in a manner designed to mitigate, wherever possible, the impact on customers and service users while having regard to the need for the Council to achieve a balanced budget. The proposals are also in line with the policy to achieve full cost recovery and the continued provision of services, both statutory and discretionary which it has historically provided or considers it should provide to enable the Council to meet its corporate and community priorities. In some instances, fees and charges have been reduced in order to deliver better value for money for residents, to encourage increased take up of services or to ensure certain vulnerable groups are not impeded

from accessing services. Charges may be set differentially according to classes of users.

- 7.3 The charges proposed in Appendix A are deemed justified in accordance with the specific charging powers or discretionary powers detailed in this report. The responsible officers have taken reasonable steps to ensure the charges are reasonable and proportionate based on a cost recovery basis. The effectiveness of the proposed charges will be the subject of monitoring through the Council's various performance indicators, its service scorecards and the budget monitoring processes.

Public Background Papers Used in the Preparation of the Report: None

List of appendices:

- Appendix A: Full list of fees and charges 2018/19
- Appendix B: Fees and charges to be deleted from the 2018/19 schedule