

# CABINET

13 November 2018

<b>Title:</b> Fees and Charges 2019	
<b>Report of the Cabinet Member for Finance, Performance and Core Services</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> All	<b>Key Decision:</b> Yes
<b>Report Author:</b> Katherine Heffernan, Group Manager, Service Finance	<b>Contact Details:</b> Tel: 0208 227 3262 E-mail: <a href="mailto:katherine.heffernan@lbbd.gov.uk">katherine.heffernan@lbbd.gov.uk</a>
<b>Accountable Strategic Director:</b> Claire Symonds, Chief Operating Officer	
<b>Summary</b> <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 recommends the appropriate level of fees and charges across all directorates, to take effect from 1 January 2019 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>	
<b>Recommendation(s)</b> <p>Cabinet is recommended to:</p> <ul style="list-style-type: none"><li>(i) Agree the proposed fees and charges as set out in Appendix A to the report, to be effective from 1 January 2019 unless otherwise stated;</li><li>(ii) Note the fees and charges no longer applicable from 1 January 2019, as set out in Appendix B to the report; and</li><li>(iii) Delegate authority to the Director of People and Resilience, 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.</li></ul>	

## **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 2019 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 July. The July RPI figure was 3.2% 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 2019 which will be effective from 1 January 2019 unless otherwise stated. The Appendices detail the following information:

- Description of service provided;
- Current 2018/19 charge;
- Proposed charges from 1 January 2019;
- 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 July 2018 of 3.2% 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. Also, charges for cooking, cleaning and some home maintenance services are the responsibility of the Barking and Dagenham Trading Partnership, although 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.

- 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 most of the in-house services have been uplifted in line with inflation except for the daily charge for High needs service users at Heathlands which has been held at the 2018-19 price which is already competitive. In all cases the cost charged will be subject to these means tests.

### **Community Solutions – Lines 6 to 102**

- 3.3 The Council 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 to be uplifted by inflation to ensure sustainability of running the site and to ensure that fees cover the required staffing ratio while remaining affordable.
- 3.4 All other charges including the library service charges and room hire – have been proposed to be increased by inflation and takes into account a range of considerations such as charges by similar services elsewhere.

### **Education, Youth and Childcare - lines 103 to 126**

- 3.5 The main charges in this area are for room hire. The rates remained the same for 2019/20 and takes into reference pricing of other similar venues in the area.

### **Policy and Participation – lines 127 to 248**

- 3.6 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 the majority of charges have been proposed to increase by inflation and some have remained the same. Full details are set out in the appendix.

### **Inclusive Growth – lines 249 to 274**

- 3.7 The administration costs associated with Right to Buy and Right to Invest are to be uplifted by inflation in line with the overall charging policy.
- 3.8 The Eastbrookend - Travellers Caravan site weekly licence charge for both a single and double pitch are being set to be in line with the Local Housing Association (LHA) rates. The Heathway supported accommodation scheme is set to be in line with the L&Q Local Housing Association charges.

### **Law, Governance and HR – lines 275 to 306**

- 3.9 Legal Services currently make charges for a limited range of services to external bodies. The fees for Commercial Property are being proposed to increase by inflation and rounded to a sensible value excluding the sale of land fee, which will not see any increases.
- 3.10 The charges for contracts and procurement are to remain the same with no changes.

### **Enforcement – lines 307 to 730**

- 3.11 Many fees and charges within Enforcement are statutorily set with no discretion. This is set out in the appendix. Other charges particularly in licenses have either remained the same or to be uplifted by inflation. The administration charge for the dog warden service is proposed to be reduced to allow full cost recovery.
- 3.12 Animal licenses now have a new simplified fee structure. Full details are set out in the appendix.
- 3.13 Market charges are frozen at the same charge as last year 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 501 to 617 (subset of Enforcement)**

- 3.14 A new charge scheme has been put in place based on Co2 emissions for resident permits. This is a result of the new parking strategy where one of the main priorities of the new strategy is to ensure that low emissions and air quality strategy for London are at the heart of decision-making.
- 3.15 Pay and display and other parking charges are frozen following last year's large increase. 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 713**

- 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; B&D have just begun charging for this service in 2018/19 which should support the resource to undertake the statutory duties making it income generating.

### **My Place – lines 731 to 832**

- 3.17 Charges for Pest Control were reviewed in 2018/19 and simplified to make them easier for customers to understand. Charges are to be uplifted by inflation to ensure full cost recovery and the service is in line with the market. The fee for fleas/bedbugs (3 visits up to 3 rooms (low income rate)) is being proposed to be uplifted above inflation to ensure full cost recovery.
- 3.18 Cemetery (including Pet Cemetery) costs were reviewed in detail during 2018/19. 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.
- 3.19 Inflation increases have been proposed for street cleansing and graffiti services. The charges are set on the basis of full cost recovery.

- 3.20 Charges for Refuse Collection have remained the same although new charges are proposed for smaller bins. Bulky waste charges are being proposed to be uplifted by inflation and rounded to a sensible value.
- 3.21 A Business case is being developed on both Trade waste and Pest Control that will seek some flexibility in the price quoting mechanism to facilitate levels of discounting of the Council's legally obliged published fees and charges to remain competitive in the market. This will still meet the objectives of the policy ensuring competitive pricing and full cost recovery.

### **Core Services – lines 833 to 879**

- 3.22 The charges for Registrars are to be largely uplifted by inflation however in some cases due to demand, charges are to be uplifted more than inflation. Full details as shown in the appendix.
- 3.23 Charges for Information Governance and Court Costs have remained the same due to competitive pricing. The Charge for Barking and Dagenham Direct (Social Alarm Service) are to be uplifted by inflation plus rounding to a sensible value.

## **4 Financial Implications**

Implications completed by: Katherine Heffernan, Group Manager, Service Finance

- 4.1 The financial implications are considered throughout this report. Additional income will be generated from increases, although this is variable as it is also dependent on demand for the services. This income is retained by the generating service and is used to offset inflationary cost pressures.

## **5 Legal Implications**

Implications completed by: Dr Paul Feild, Senior Governance Lawyer

- 5.1 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 the report body. 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 or where there is an environmental impact.
- 5.2 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.
- 5.3 Local authorities have wide ranging powers to charge for specific statutory services as stipulated in relevant statutory provisions.

- 5.4 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
- 5.5 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.
- 5.6 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.
- 5.7 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).
- 5.8 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.
- 5.9 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.

## **6. Other Implications**

- 6.1 **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
- 6.2 **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.

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 2019/20
- Appendix B: Fees and charges to be deleted from the 2019/20 schedule