

CABINET

17 November 2020

Title: Fees and Charges 2021	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
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Accountable Strategic Director: Philip Gregory, Chief Financial Officer	
Summary <p>The Council provides a wide range of services to residents, visitors, local businesses and others. Many services are provided free of charge at the point of need while 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 2021 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in Appendix A to the report, to be effective from 1 January 2021 unless otherwise stated;(ii) Note the fees and charges no longer applicable from 1 January 2021, as set out in Appendix B to the report; and(iii) Delegate authority to the Director of People and Resilience, in consultation with the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.	

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 some services from the Registrar service. This report concerns itself with recommending the appropriate level of fees and charges from 1 January 2021 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 2020. The July 2020 RPI figure was 1.6% 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 2021

2.4 Attached to this report at Appendix A are the proposed fees and charges for 2021 which will be effective from 1 January 2021 unless otherwise stated. The Appendices detail the following information:

- Description of service provided;
- Current 2020/21 charge;
- Proposed charges from 1 January 2021;
- 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 2020 of 1.6% 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 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 6

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 the in-house services have been uplifted in line with inflation. In all cases the cost charged will be subject to these means tests.
- 3.3 A new brokerage fee has been introduced for self funders who have asked the Council to arrange their care and support package on their behalf. This recovers the council's costs in making arrangements.

Community Solutions – Lines 7 to 114

- 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 The Children Centre room hire charges are proposed to increase by inflation. Library service charges are to remain frozen due a requirement to rebuild usage of libraries after the Covid lockdown. Barking Learning Centre room hire charges are also to remain frozen. Room hire charges for Dagenham Library are 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 115 to 138

- 3.5 The main charges in this area are for room hire. There are no planned increases for 2021 which takes into reference pricing of other similar venues in the area.

Policy and Participation – lines 139 to 272

- 3.6 This section covers fees charged at heritage attractions such as Eastbury Manor and Valence House, archive services, heritage education services, park events and park ranger services. It is proposed that fees will increase by inflation of 1.6%.

My Place– lines 273 to 297

- 3.7 The administration costs associated with Right to Buy and Right to Invest are to be uplifted by inflation of 1.6%.
- 3.8 The Eastbrookend travellers Caravan site weekly licence has been uplifted by inflation of 1.6%. The Heathway supported accommodation scheme rent and service charge fee is to be set to be in line with L&Q charges.

Law, Governance and HR – lines 298 to 334 and 1078 to 1079

- 3.9 Legal Services currently make charges for a limited range of services to external bodies. Fees are to be increased by 3% to reflect the increased cost of service provision.

- 3.9.1 It has long been the practice for Local Authorities to charge applicants entering into a S106 agreement a fee to cover legal costs. Such agreements and undertakings are to secure planning obligations under s106 of the Town and Country Planning Act 1990 and other similar agreements under planning and highways legislation in connection with the grant of planning permission for development. The Council is able to charge fees pursuant to s.93 of the Local Government Act 2003.

Enforcement – lines 335 to 875

- 3.10 Many fees and charges within Enforcement are set by statute. Non-statutory fees have been uplifted by inflation of 1.6% with the following exceptions:
- 3.11 Animal licence fees have been reviewed and adjusted by varying percentages varying from 0.39% to 6.61% in order to reflect the cost of service provision.
- 3.12 The food safety reinspection fee has been increased by 7.3% to £265 in order to reflect the cost of additional duties.
- 3.13 Dog warden stray dog collection and admin fees have not been uplifted. The fee for an overnight stay in kennels has been uplifted by 3% to £35. This is in order to cover the cost of the kennels refurbishment.
- 3.14 CCTV fees have been reviewed and adjusted by varying percentages from 1.2% to 6.7% for deployable camera installation.
- 3.15 Street Trading fees have been simplified so that from January 2021 charging will be in accordance with the number of square metres to reflect area taken up. Current charges do not take into account the width of shop fronts as they are based solely on the how far trading extends from shopfronts.
- 3.16 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.
- 3.17 HMO, Selective Licencing and Enforcement fees under the 2004 Housing Act are unchanged.

Parking – lines 556 to 813 (subset of Enforcement)

- 3.18 Parking charges have been reviewed and updated with a view to meeting one of the Council's key priorities of reducing air pollution, as well as providing a safer, fairer, consistent and more transparent parking service. The changes to fees supports the Parking Strategy 2016-2021 which aims to encourage the greater use of other modes of transport, but also provides an improved permit system that addresses the needs of the borough's various road users.
- 3.19 The key proposals set out in the strategy were: -
- Free half-hour parking in all on-street shopping locations.
 - Free one-hour parking in all council parks.
 - Adopt an area-based approach to parking controls.
 - Move to cashless payment for car parking including contactless payment cards.

- Continue to apply a lower parking permit charge for the first two vehicles per household, compared to the third and introduce a higher charge for the fourth vehicle and above.
- Establish parking permit prices which encourage low emission vehicles and improve air quality.
- Increase enforcement in areas where footway parking affects safe access for pedestrians and cyclists.

3.20 The Cabinet agreed in July 2018 to take steps to control parking through the introduction of Controlled Parking Zones in key areas, which is an ongoing programme. Fees for Residents permits are structured across 7 bands according to CO2 emissions and increase in cost for the second, third and fourth vehicles. It is not anticipated there will be any significant change to residents parking permits this year, with the exception of introducing a charge for parking motorcycles in bays. The introduction of virtual permits has now made it possible to charge for motorcycles taking up resident or paid-for parking spaces

3.21 There are a wide range of other types of permit, some of which have developed over the years to meet special needs for individuals or sectors within the community, for example the recent Key Worker permit issued during the Covid-19 pandemic, and other permits issued to facilitate the introduction of the Controlled Parking Zones. These ad hoc arrangements have been reviewed and put into a structured format to ensure fairness and consistency in the management of parking schemes.

3.22 It is proposed that permits should be classified into 6 main categories. The rationale is to make permits easier to administer and have a more uniform outlook for users. All permits will have emissions-based charging plus diesel surcharges (where applicable) as with existing residential permits, to improve local air quality in line with national aspirations and for a uniform charging regime. The 6 proposed categories of permit are:

- LBB Internal
- Health and Social Care
- Residential
- Commercial
- Waivers and Dispensations
- Season Tickets

3.23 New permits have been included to cater for social and health care providers (including key workers) and small businesses & retailers, which will be due to the CPZ expansion programme.

3.24 A commercial vehicle (i.e vans and lorries) charge for all vehicles parking within controlled parking zone areas is also proposed. In order to discourage parking of company vans, a substantial charge is to be introduced which will also include a diesel surcharge.

3.25 It is proposed that charges for staff should be amended to reflect the same charging structure as that for other permit holders, including applying the diesel surcharge. This will commence with a base rate of £3.00 per day for the lowest emissions to a higher rate of £7.50 per day for the highest emissions, plus a diesel surcharge of

£1.00 per day or parking session. The salary deduction scheme will be discontinued and staff will need to register for a new permit and pay via credit or debit card only, on a daily, monthly, or yearly basis. This charging strategy will result in the following benefits:

- Less admin time as sessions will be paid for via self-service and credit/debit cards.
- Discourage staff from driving into the borough and improve staff green credentials.
- Align staff permit charging to the overall LBBB permits charging policy.
- Increase revenue as parking spaces will become available for non-staff related Season Tickets and standard tariffs.

3.26 Due to the impact of Covid-19 and the changes in standard working locations, (for the majority of workers), there is the need to shift the way in which car parks are managed in order to make them more commercially viable. The introduction of a Resident Season Ticket for London Road Multi Storey Car Park and the Mall at Heathway will help to cover the shortfall of the anticipated loss of income from staff parking and will also provide additional parking for residents in car-free and restricted zones.

3.27 A pilot scheme of night enforcement of Barking Town Centre has revealed a high demand for parking. It is suggested that an increased flat fee of £15.00 to park at premium night will cover the cost of additional security to patrol the car parks on Friday and Saturday evenings, to improve public safety and to encourage the use of the car park rather than on-street parking. The premium night is proposed as Friday and Saturday evenings.

Highways, Street Works and Flood and Drainage Services fees – lines 876-935

3.28 Highways charge fees for various types of licence, eg skip permits, crane, scaffold and hoarding licences and footway crossings and white lines. These fees have been increased by inflation of 1.6%.

3.29 Street Works permits have been set at the maximum DfT fee under the London Permit Scheme.

3.30 Fees for Flood Risk and Drainage advice have been increased by inflation of 1.6%.

Public Realm – lines 936 to 1042

3.31 Pest Control fees have not been increased so that they remain competitive. New charges have been introduced for moth treatment and for pharaoh ants.

3.32 Trade refuse fees have also not been increased so as to remain competitive. New charges have been introduced for the supply of refuse sacks. There is a new fee of £7 for the collection of 360 litre recycling bins.

3.33 Cemetery fees have been increased by 1.6%. New fees have been introduced for extended right of burial (EROB) lease extensions.

- 3.34 Street Cleansing and fees charged for Fleet services have been increased by inflation of 1.6%.
- 3.35 Due to site constraints in new housing developments, requests have been made for the Council to provide more than one waste collection service per week. New fees have been introduced to cover the cost of this additional service.

Core Services – lines 1043 to 1089

- 3.36 Charges made by Registrars have not been uplifted so that they remain competitive.
- 3.37 Charges for Careline alarms have increased by inflation of 1.6% to £208 pa. This will be effective from April 2021.
- 3.38 Charges made by the Revenues service, e.g. for summonses for non-payment of Council Tax and NNDR, etc, have not been uplifted. As a large number of residents will have been seriously financially affected by the COVID-19 pandemic, it is not considered appropriate to uplift these fees.

4 Financial Implications

Implications completed by: Katherine Heffernan, Head of Service Finance

- 4.1 All directorates have undertaken a review of their fees and charges as part of the annual budget setting process. In general, fees and charges recover some or all of the costs of providing services from users. This generates income which reduces the cost of service borne by Council taxpayers and can also be used to achieve other strategic objectives, such as encouraging the use of particular services.
- 4.2 In general it is proposed that discretionary fees and charges are increased by a minimum of CPI (1.6% in July 2020) rounded up to the nearest 5p, 10p etc unless there is a compelling reason for not increasing at all or increasing by a greater amount.
- 4.3 The total amount of income generated through fees and charges will depend on price as well as volume/service take up. The Medium-Term Financial Strategy assumes that any additional general fund income will contribute towards individual service budgets and for 2021/22 there is currently no savings aligned with fees & charges.
- 4.3 The Council has a net General Fund budget of £39m for fees and charges – however this includes £12m for Care Contributions and £10m for Parking including Penalty Charges which is being changed to support the Parking Strategy 2016-2021 which aims to encourage the greater use of other modes of transport, but also provides an improved permit system that addresses the needs of the borough's various road users. If all other fees and charges were uplifted by 1.6% and there was no impact on take up then the total increase would be in the region of £272k full year effect.
- 4.4 Any changes to fees and charges specified in this report are applicable from 1st Jan 2021.

5 Legal Implications

Implications completed by: Dr. Paul Feild, Senior Governance Solicitor

- 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 a change to base the cost on the square meterage taken up.
- 5.9 The Care Act 2014 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 2021
- Appendix B: Fees and charges to be deleted from the 2021 schedule