

CABINET

14 November 2023

Title: Fees and Charges 2024	
Report of the Cabinet Member for Finance, Growth and Core Services	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
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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 proposed level of fees and charges across all directorates, to take effect from 1 January 2024 unless otherwise stated.</p> <p>Some of these charges are statutory in nature with proposed charges outside of the Council's control.</p> <p>Services have worked within the framework of the agreed Charging Policy to reach the proposed fees and charges. Each service has been reviewed and the charges are set at a fair and reasonable level, wherever possible is in line with competitive market rates for the service while achieving full cost recovery where possible.</p> <p>Due to the level of financial pressures on the council and the high rate of inflation there may be some instances where the proposed charge may not reflect full-cost recovery. Officers will be working through those fees affected and it may be necessary to bring a further revision to Cabinet prior to raise charges again exceptionally from April 2024.</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> <p>(i) Agree the proposed fees and charges as set out in Appendix A to the report, to be effective from 1 January 2024 unless otherwise stated;</p>	

- (ii) Note the fees and charges no longer applicable from 1 January 2024, as set out in Appendix B to the report;
- (iii) Delegate authority to the Strategic Director, Children and Adults, in consultation with the Strategic Director, Resources and the relevant Cabinet Members, to set fees and charges to be applied from September for schools and academic year-based activities; and
- (iv) Note that it may be necessary to bring a further report to Cabinet before agreement of the final budget for 2024/25 to propose further changes to fees and charges to reflect full cost recovery and apply those revised fees from 1 April 2024.

Reason(s)

The setting of appropriate fees and charges will enable the Council to recover the costs of delivering services to residents and businesses.

Ensure 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. The Council's 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 to recover the costs of delivery. Fee charging services include both statutory and discretionary services. Where fees and charges apply to mandatory services, these are often set nationally, for example some 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 2024** 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 August CPI figure is used each year for consistency – in 2023 this was 6.7%. Although lower than August 2022, this is a high figure reflecting the current pressures in the world economy with the costs of energy, materials and labour all rising. To ensure that the full costs are recovered it is appropriate to use this for many services. For those where it is appropriate, they are marked as “C” category in the attached schedule.

- 2.4 In other instances services have proposed an alternative increase based on an analysis of costs or a comparison with fees charged by neighbouring councils or other local providers. These are marked as “M” in the schedule.

- 2.5 Where fees are set at a fixed level by legislation or where costs have not increased, or managers believe they can fully absorb the increases through improved efficiency then no increase will be made, and charges remain at the same level. These are marked as “Z” in the schedule.

Proposed Fees and Charges 2024

- 2.6 Attached to this report at Appendix A are the proposed fees and charges for 2024 which will be effective from 1 January 2024 unless otherwise stated. The Appendices detail the following information:

- Description of service provided;
- Current 2023 charge;
- Proposed charges from 1 January 2024;
- Proposed increase in pounds and in percentage terms;
- The basis of the uplift (CPI/other/none)
- Any difference between the charge and the estimated full cost of providing the service

- The rationale for a given increase (other than uplift by inflation), as well as any other comments.

2.7 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.

2.8 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.

2.9 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 because of fees and charges. The maximum charges LBBD makes for its own directly provided services have by CPI which ensures full cost recovery and keeps them in line with the local care market. An administrative charge for arranging care on behalf of self-funders was introduced in recent years as a flat rate and is not proposed to be increased this year.

Community Solutions – Lines 7 to 95

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 the CPI to ensure that fees cover the required staffing ratio while remaining affordable.

3.4 The service provides room hire at a number of centres. These charges have been reviewed to ensure that there is full cost recovery including for energy usage. Charges for the Sue Bramley centre have been removed as this centre is now run by a voluntary sector partner. Library services no longer levy borrowers charges such as late fines though there are some admin charges for replacement cards and photocopying. These charges have also been reviewed.

3.5 The temporary accommodation charges have not been uplifted as the charges are in-line with the maximum amounts claimable under Housing Benefit subsidy rules.

Education, Youth and Childcare - lines 96 to 117

- 3.6 The main charges in this area are for room hire. These will be increased by CPI.

Culture and Heritage – lines 118 to 208

- 3.7 This section covers fees charged at heritage attractions such as Eastbury Manor and Valence House, archive services and heritage education services. Fees have been uplifted by CPI for commercial use and for charities, schools and residents.
- 3.8 There has been a review of the rates charged at Eastbury following a long period of minimal use of the house and grounds, due to prolonged absence of hire operations and no curator/house lead in post. As such, many of the pre-existing rates were unfit for purpose, did not reflect the complexity of different spaces and requirements in the house and above all did not meet full cost recovery. These new rates take into account the need to grow the income generation models at Eastbury Manor House and across the Cultural and Heritage services in general, to support day-to-day operations. They put in place a more efficient pricing structure, including hourly, half-day and full day rates. This will ease administrative processes, and give clearer options to external hirers.
- 3.9 Similarly, a number of fees at Valence House have been deleted in order to provide a simpler, more relevant pricing structure.
- 3.10 The Archivist service has introduced a new fee of £840 for the reproduction of moving images, with an additional fee of £120 for on-line/streaming rights. There is a new fee of £600 for providing a historical research service to local developers.

Parks Events and Ranger Services lines 209 to 228

- 3.11 This section covers fees for Fairs and Circuses in parks, Education Ranger services and hire of the Discovery Centre.
- 3.12 Ranger Services charges to school groups have increased by more than inflation – to £130 for a half-day, and £200 for a full day. Charges to community groups have increased to £11.30 per person. Little Owls Forest School has increased to £10 per child. This is to ensure that costs are recovered in full.

General Fund Housing– lines 229 to 232

- 3.13 The Council has a small trial of deep retrofit energy efficiency improvements. Residents benefitting from this will pay a monthly “thermal comfort” charge of £30. This charge was set as part of the design of the scheme and will not be increased.
- 3.14 The Heathway supported accommodation scheme rent and service charge fee is to be set to be in line with L&Q rent for the building. L&Q provide notification of their intended increase in February 2024 which will come into effect from April 2024.

Leasehold Management Fees and Shared ownership Fees lines 233 to 263

- 3.15 A review of Leasehold Management Fees is underway to establish whether the current fees are relevant and set at the correct rate. Some fees have not been

increased pending the outcome of this exercise. A new fee of £150 for Leaseholder permission to Alter has been introduced with a further fee of £250 where an inspection is required.

Law, Governance and HR – lines 264 to 305

- 3.16 Legal fees have been uplifted by CPI.

Enforcement – lines 306 to 1107

- 3.17 Many fees and charges within Enforcement are set by statute. Non-statutory fees which are largely issued to business have been uplifted by CPI with the exception of safety at sport grounds which is set on a case-by-case basis to cover the cost of staff time. A new charge has been introduced for Environmental Information Regulations. The pavement licence scheme has a maximum fee of £100.
- 3.18 Barking Market and Street Trading fees have been increased by different rates to ensure costs are mostly recovered but still with a view to encouraging trade. Increases are in place to support the costs of parking and waste and administration though do not ensure full cost recovery in all instances – however supporting a thriving market brings wider benefits to the town centre.
- 3.19 HMO licensing fees are being uplifted by CPI. However, the Selective Private Rented Property Licensing fees are being held at current rates as there are concerns that increasing fees would be difficult to administer and could lead to the loss of private sector landlords which will impact supply, and lead to higher rents.
- 3.20 Private Sector Enforcement Fees are being increased to be in line with neighbouring boroughs.

Parking – lines 546 to 1043 (subset of Enforcement)

- 3.21 The fees charged by Parking continue to support the Council's Parking Strategy which aims to encourage the greater use of other modes of transport, but also provides a permit system that addresses the needs of the borough's various road users.
- 3.22 The Cabinet further 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 in cost for the second, third and fourth vehicles. The charges will be uplifted by CPI except for the lowest band which is removed and the diesel surcharge. Diesel surcharges have now been introduced for parking in Parks.
- 3.23 The cost of Traffic Management Orders will go up in line with general inflation.

Highways, Street Works and Flood and Drainage Services fees – lines 1106 - 1165

- 3.24 Highways charge fees for various types of licence, eg skip permits, crane, scaffold and hoarding licences and footway crossings and white lines. Highways also charge fees for Flood Risk and Drainage advice. These fees have been increased

in line with CPI. There is currently a fee of £68 for a Footway Crossing Confirmation letter. This had not previously been included on the schedule and has been uplifted by CPI to £73.

- 3.25 Street Works permits have been set at the recommended maximum DfT fee under the London Permit Scheme (LoPS) for the management of road and street works. These fees are unchanged.

Public Realm lines 1166 to 1266

- 3.26 Park Sports Fees for pitches and football training have been increased in line with CPI.
- 3.27 Pest Control fees have been increased by CPI.
- 3.28 Trade Refuse fees for Eurobin/Paladin collection where there are more than 4 bins on site has increased to £27 per unit.
- 3.29 The subscription for the Green Garden Waste service has been kept at the current fee level of £43. There has been a decrease in demand for the service in 2023 and the fee has been kept at the same level to discourage further reductions.
- 3.30 The Bulky Waste fee has been kept at the current fee level of £35 for up to 4 items and £7.50 for each additional item. This fee was subject to a large increase in the previous fees and charges round so it is felt that the current level should be maintained.
- 3.31 Cemetery fees have been increased by 10%. The service has undertaken a review of fees charged across surrounding/London local authorities and cemetery operators. It is recommended that the fee structure is uplifted to ensure that the fees are comparable with surrounding burial authorities. The recent benchmarking data has identified that charging structures for Barking and Dagenham are not comparable and are falling behind.
- 3.32 Street Cleansing and fees charged for Fleet services have been increased by inflation. The exception being disposal costs which are increasing to £175 per tonne (3.6%). Disposal costs are determined by the fee charged by ELWA for the disposal of commercial and municipal waste.

Registrars and Customer Services – lines 1267 to 11297

- 3.33 Non statutory charges made by Registrars have been increased by CPI of 6.7% in line with the total costs of providing the service (to the nearest pound.) Statutory services are being kept in line with inflation.

Support and Collections – lines 1298 to 1335

- 3.34 Changes to court costs are proposed to encourage payment before the hearing, with the total potential charge for remaining the same with the actual amount applied being the decision of the Court. The costs of a court summons has not increased and the charge remains the same.

- 3.35 Other charges are also remaining at current rates as they levied on financially vulnerable residents and so increases are likely to be either uncollectable or to have adverse impacts.
- 3.36 Deputy and Appointee fees are set in line with regulations.

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 the August CPI or a sector specific increase applied. This will support the Council's policy of full cost recovery.
- 4.3 The Council has a budget of £80.7m for Customer and Client income. However, when specific income types such as Adult Social Care income, Parking income, Commercial and Investment Income and Temporary Accommodation rents are excluded the Fees and Charges income budget covered by this report is only £7.6m. Increasing this by 6.7% could potentially achieve £0.5m of additional income although this is a theoretical maximum and does not take into account where charges are limited by statute or where demand or collection rates may decrease.
- 4.4 Since the charges provide full cost recovery this should offset the increased cost of providing services and ensure that there is a net neutral impact overall. Where services are making significant increases such as moving from subsidised costs to full cost recovery they should offer this as a saving in the MTFS.
- 4.5 Any changes to fees and charges listed in this report are applicable from 1st January 2024 unless otherwise stated. Due to the high rate of inflation and the urgent need to ensure that there is full cost recovery it may be necessary to impose a subsequent change from April 2024. Details of this will be included in either the budget strategy paper in February or another financial report.

5. Legal Implications

Implications completed by: Dr Paul Feild, Principal Standards and 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.
- 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 cost-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, subject to Section 4 Localism Act 2011 which provides that commercial activity must be conducted by a company. 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.
- 6.3 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 process.

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

List of appendices:

- **Appendix A:** Full list of fees and charges 2024
- **Appendix B:** Fees and charges to be deleted from the 2024 schedule