

CABINET

12 November 2019

Title: Fees and Charges 2020/21	
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 Director: Helen Seechurn, Interim Finance Director	
Accountable Strategic Director: Claire Symonds, Chief Operating Officer	
Summary 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. This report recommends the appropriate level of fees and charges across all directorates, to take effect from 1 January 2020 unless otherwise stated. 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. The full list of proposed charges is detailed in Appendix A to this report.	
Recommendation(s) Cabinet is recommended to: (i) Agree the proposed fees and charges as set out in Appendix A to the report, to be effective from 1 January 2020 unless otherwise stated; (ii) Note the fees and charges no longer applicable from 1 January 2020, as set out in Appendix B to the report; and (iii) Delegate authority to the Director of People and Resilience, in consultation with the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 the Registrar service. This report concerns itself with recommending the appropriate level of fees and charges from 1 January 2020 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, which is July, is used. The July RPI figure was 2.9% 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 2020

2.4 Attached to this report at Appendix A are the proposed fees and charges for 2020 which will be effective from 1 January 2020 unless otherwise stated. The Appendices detail the following information:

- Description of service provided;
- Current 2019/20 charge;
- Proposed charges from 1 January 2020;
- 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 2019 of 2.9% 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. 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 was most recently approved by the Cabinet in July 2019.

- 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 Council is required to set the charges for its own provision. These charges have been uplifted in line with inflation except for the weekly charge for the Kullar Lodge elderly residential home which has been held at the 2019-20 price which is already competitive. In all cases the cost charged will be subject to these means tests.

Community Solutions – Lines 6 to 100

- 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 remain at 2019-20 levels which ensures sustainability of running the site and to ensure that fees cover the required staffing ratio while remaining affordable.
- 3.4 Room hire charges have increased in line with competition. Two new charges are proposed to be introduced for 2020/21. They are caretaker and hotdesking charges and are again set in line with charges being levied by neighbouring boroughs. Charges for the Dagenham library service are being proposed to increase in line with charges being set by neighbouring boroughs.

Education, Youth and Childcare - lines 101 to 124

- 3.5 The main charges in this area are for room hire. The rates have remained the same for 2020/21 and takes into reference pricing of other similar venues in the area.

Policy and Participation – lines 125 to 272

- 3.6 The Heritage service has set its charges in order to cover costs and to remain competitive with other local heritage attractions. It is intended to introduce a new wedding package service at Eastbury Manor House to include such options as a drinks reception, evening buffet and wedding breakfast. The pricing structure for this is being worked up and has not been included in the proposed fees and charges schedule but will be submitted at a later date.
- 3.7 There is an improved visitor offer at Eastbury Manor and admission prices for non-LBBD visitors have been uplifted to reflect this. New charges for room hire have been introduced at Valence House in line with the charging model at Eastbury. New charges have been introduced by the Archives service for photographic reproduction. Heritage education fees have been increased to reflect the cost of the service provided.
- 3.8 The cost of room hire at Barking Park Centre and the Millennium Centre have been increased above inflation to reflect improved facilities.

Housing (non HRA) – lines 273 to 297

- 3.9 The charges for the Eastbrookend Travellers caravan site and the Heathway supported accommodation scheme and the admin costs for Right to Buy/Right to Invest have been uplifted by 2.9%.

Law, Governance and HR – lines 298 to 329

- 3.10 Legal Services currently make charges for a limited range of services to external bodies. Legal Services fees are proposed to increase by inflation, other than the sale of land fee, which will not increase.

Enforcement – lines 330 to 537

- 3.11 Many fees within Enforcement are set by statute, for example, alcohol licenses. Various other fees, although discretionary were either adjusted or introduced earlier this year in line with the Enforcement Fees and Charges review which was agreed at May 2019 Cabinet. In addition to increasing FPN fees for fly-tipping and littering, a new charge was introduced for food premises re-inspections, and various licencing fees were amended in order to comply with recent case law. It is proposed that for all (discretionary) fees that were the subject of the May Cabinet report, inflation is applied from 1 April 2020, rather than 1 January 2020. This would apply to special treatments, sex shops and scrap metal licence fees.
- 3.12 Mandatory HMO Licencing fees were also amended in the May 2019 Cabinet report, and these fees will apply for the 5-year licence period. A new 5 year selective licencing scheme commenced on 1 September 2019, and fees applicable for the duration of the scheme are set out in Appendix A.
- 3.13 New fees for animal licencing to 31 March 2020 were set out in the budget monitoring report to December Cabinet. These have been uplifted by inflation from 1 April 2020.
- 3.14 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 538 to 650 (subset of Enforcement)

- 3.15 It is proposed that no inflation is applied to parking fees other than bay suspensions and traffic management orders which will be lifted by inflation.
- 3.16 Controlled Parking Zones are being introduced across the borough in line with the programme set out in the May 2019 Cabinet report. The consultation with residents on the introduction of the new CPZs set out the cost of permits, and to increase permit prices at this stage is not justifiable.

My Place – lines 782 to 876

- 3.17 The fees for football and rugby and bowling green hire have been reduced significantly in order to remain competitive.
- 3.18 A new simplified fee structure has been introduced for pest control services.
- 3.19 A new simplified fee structure has been introduced for trade waste.
- 3.20 Bulky waste fees have been increased by inflation.

- 3.21 Some cemeteries fees have been increased by more than inflation in order to cover costs and in line with benchmarking data.

Core Services – lines 877 to 914

- 3.22 Some Registrars fees have been increased to reflect an increase in statutory fees set by the General Register Office, and some new fees have been introduced.
- 3.23 Subject Access Requests are no longer chargeable, so this fee has been removed
- 3.24 Charges for Court costs have remained the same due to competitive pricing.
- 3.25 Charges for the Social Alarm service are unchanged at £260.

Contracted Services – lines 915 to 923

- 3.26 There are no planned increases for court fees as well as for the social alarm service.

4. Financial Implications

- 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 tax payers, 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 (2.9% in July 2019) 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 2020/21 there is currently no savings aligned with fees & charges.
- 4.4 The Council has a net General Fund budget of £25m for fees and charges – however this includes £7m for Care Contributions and £8m for Parking including Penalty Charges – neither of which will be increased by this report and the impact of changes in these areas have already been taken into account. If all other fees and charges were uplifted by 2.9% and there was no impact on take up then the total increase would be in the region of £300k full year effect.
- 4.5 Any changes to fees and charges specified in this report are applicable from 1st Jan 2020 unless otherwise stated.

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 RPI to ensure reasonable recovery and continued service provision.

- 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 this is informed by statutory Guidance. 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 2020/21
- Appendix B: Fees and charges to be deleted from the 2020/21 schedule