

# CABINET

15 November 2022

<b>Title:</b> Fees and Charges 2023	
<b>Report of the Cabinet Member for Finance, Growth and Core Services</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> All	<b>Key Decision:</b> Yes
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<b>Accountable Strategic Leadership Director:</b> Philip Gregory, Strategic Director, Finance & Investment	
<b>Summary</b> <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 2023 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 whilst achieving full cost recovery.</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 2023 unless otherwise stated;</li><li>(ii) Note the fees and charges no longer applicable from 1 January 2023, as set out in Appendix B to the report; and</li><li>(iii) Delegate authority to the Strategic Director, Children and Adults, in consultation with the Strategic Director, Finance and Investment 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 recover the costs of delivering services to residents and businesses.

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 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 2023** 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 2022 this was 9.9%. This is a high figure reflecting the current pressures in the world economy with the costs of energy, materials and labour all rising. In order to ensure that the full costs are recovered it is appropriate to use this for many services. These are marked as “C” category in the attached schedule.
- 2.4 However, the Council also has to recognise that many residents do suffer from socio-economic disadvantages and to take action where it can to support them while also protecting its finances. The main driver for costs in many cases is the cost of staff time for the provision of that service and, in these instances, it would be appropriate to use the average Local Government pay increase of 6% with managers needing to contain the overall costs of the service as far as possible within this uplift. These are marked as “P” in the schedule.
- 2.5 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 “O” in the schedule.
- 2.6 Where fees are set at a fixed level by statute 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 “R” in the schedule.

### **Proposed Fees and Charges 2023**

- 2.7 Attached to this report at Appendix A are the proposed fees and charges for 2023 which will be effective from 1 January 2023 unless otherwise stated. The Appendices detail the following information:
- Description of service provided;
  - Current 2022 charge;
  - Proposed charges from 1 January 2023;
  - Proposed increase in pounds and in percentage terms;
  - The basis of the uplift (CPI/pay/other/none)
  - The rationale for a given increase (other than uplift by inflation), as well as any other comments.
- 2.8 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.
- 2.9 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.

- 2.10 The Council's Overview and Scrutiny Committee was invited at its meeting on 5 October to review and provide feedback on the proposed fees and charges for 2023, in advance of their consideration by the Cabinet. Members of the Committee raised specific queries on a number of the fees and charges levied by the Council which have been taken into account in this report. Members also raised general concerns regarding increasing fees and charges during the current cost-of-living crisis, particularly given the high rate of inflation that increases would typically be based on in line with the Council's policy.
- 2.11 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 maximum charges LBBD makes for its own directly provided services have been revised in line with the local care market which works out to an increase of around 8.6%. 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 average pay award 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 will rise by 6%. Library services no longer levy borrowers' charges such as late fines though there are some admin charges for replacement cards and photocopying.
- 3.5 The temporary accommodation charges have not been uplifted as the charges are in-line with temporary accommodation subsidy calculation, as outlined by DWP.

#### **Education, Youth and Childcare - lines 96 to 119**

- 3.6 The main charges in this area are for room hire. There are no planned increases for 2023 which takes into reference pricing of other similar venues in the area.

### **Culture and Heritage – lines 120 to 242**

- 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 6% for charities, schools and residents other than the hourly fee for the hire of Valence House for paranormal investigations (line 205) which is increasing by 2.7% to £75.
- 3.8 Valence House lines 208-212  
Charges for tours of Valence House have been added. The fees range from between £4 to £8 per person, subject to a minimum fee of £50 per tour. These are not new fees but were not previously included on the fees schedule.
- 3.9 Archivist line 235  
The Archives service has introduced a new fee of £50 per hour for research work and image searches undertaken on behalf of other services within LBBB.
- 3.10 New Town Culture line 242  
Where the service provides an external consultancy service this will be charged at £300 per day.

### **Parks Events and Ranger Services lines 243 to 262**

- 3.11 This section covers fees for Fairs and Circuses in parks, Education Ranger services and hire of the Discovery Centre. Existing fees are being increased by 6%.
- 3.12 New fees and licences have been introduced for services provided at Eastbrookend Country Park including Bushcraft, Overnight Camps, guided walks and Little Owls Forest School.
- 3.13 There is a new annual licence fee of £6,400 for the Discovery Centre café, and a new annual Grazing licence fee of £2,000. An annual licence fee of £16,000 is charged to Bardag Angling Association for the use of Bardag fishing lake. This is not a new fee but has not previously been included on the schedule.

### **Deep Retrofit Trial Comfort Fee line 263**

- 3.14 Deep retrofit products are being piloted on 18-20 council homes, providing tenants with a performance guarantee of warmth and hot water. As a result, they will have to pay a £30 comfort charge every month in lieu of energy bills. Selected households are due to sign a Comfort Plan which sets out the £30 per month charge. The scheme and charge were laid out to Cabinet in October 2019.

### **My Place Housing– lines 264 to 295**

- 3.15 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 2023 which will come into effect from April 2023.
- 3.16 The fees for Travellers sites have increased by CPI. These may be reduced if benefits do not rise in line with CPI.

- 3.17 Right to Buy fees have been increased by CPI, other than the fee for Leaseholder Enquiries (line 289) which is remaining at £461.
- 3.18 A range of fees have been introduced for Shared Ownership purchases (lines 291-295). These have been introduced to cover administrative costs and to ensure that charging is done on an equitable basis. A time and motion exercise will be undertaken to ensure that the fees are set correctly. The fees include £250 for a Leasehold Pack, £96 for Leasehold Enquiries and £150 for a Staircasing admin fee.

### **Law, Governance and HR – lines 296 to 337**

- 3.19 Legal fees have been uplifted by CPI with the exception of matters relating to shop leases (lines 309 to 310) where the uplift is kept to 6% as part of supporting small traders and local shops.

### **Enforcement & Regulatory Services – lines 338 to 1101**

- 3.20 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 been again extended to September 2023 and has a maximum fee of £100.
- 3.21 Barking Market and Street Trading fees have again not been increased with a view to encouraging trade. The admin fee for copy/reprint of licences will go up with the additional cost of staff time.
- 3.22 The Private Sector Licensing fees were reviewed and uplifted last year after an extensive benchmarking exercise with other boroughs and will held at this current rate. There are concerns that increasing fees again could mean the loss of private sector landlords which will impact supply, and lead to higher rents.

### **Parking – lines 555 to 1043 (subset of Enforcement)**

- 3.23 The fees charged by Parking continue to support the Council's Parking Strategy 2016-2021 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.
- 3.24 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.

- 3.25 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. There will be no change to residents parking permits from January 2023. Parking fees have generally been kept at the same level with no inflationary uplift, although some fees have been reduced, eg Operational Permits and Red Staff Permits. A new charge band has been introduced for up to 6 hours parking in LBBB parks.
- 3.26 The cost of Traffic Management Orders will go up in line with general inflation.

### **Highways, Street Works and Flood and Drainage Services fees – lines 1102 - 1160**

- 3.27 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 the CPI.
- 3.28 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 1161 to 1266**

- 3.29 Pest Control fees have been increased by 6% as essentially driven by staff costs.
- 3.30 Trade refuse collection fees have not been increased so as to remain competitive. The Green Garden Waste Subscription is set to increase by £2 (4.9%) to £43 per household per year. Charges for the supply of a replacement domestic wheelie bin (£25) and School recycling service (£15) have not been increased.
- 3.31 The new fee for Bulky Waste Collections is £35 for up to 4 items and £7.50 for each additional item as currently this service does not recover its costs. A benchmarking exercise has been carried out and this is in line with other boroughs. It is also expected that it will encourage a reduction in demand and, hence, waiting times. The service will monitor the impact on residual waste volumes and also any potential impact on fly tipping.
- 3.32 Cemetery fees have been increased by 6%.
- 3.33 Street Cleansing and fees charged for Fleet services have been increased by 6%. 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.
- 3.34 Additional waste and recycling bin collections requested by the Landlord/Managing agent are to be increased by 6%.
- 3.35 The fees for the use of Sports facilities in Parks are increasing by 6%.

## **Support and Collections – lines 1267 to 1313**

- 3.36 Non statutory charges made by Registrars have been increased by CPI of 9.9% in line with the total costs of providing the service.
- 3.37 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. As a large number of residents will have been seriously financially affected by the COVID-19 pandemic and then the cost of living, it is not considered appropriate to increase other court costs except the fee for evictions has been raised in line with the court fee.

## **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 most relevant index of cost increases, i.e. either the average pay award or CPI or a sector specific increase applied. In some cases and especially where charges are applicable to a large group of residents or particularly financially vulnerable residents, services have sought to absorb cost increases through finding efficiencies. This nuanced approach seeks to strike an appropriate balance between safeguarding the public purse and looking after the interests of our residents.
- 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 2023/24 there are currently no savings aligned with fees & charges.
- 4.4 Based on the current budgets for fees and charges and excluding the main exceptions to the charging policy such as Parking (where fee levels are being maintained) and Social Care (where it is subject to means testing) the expected increase in income from a 1% uplift is approximately £70k. An uplift at the average pay award therefore would produce around £420k of additional income assuming that income levels remain in line with budget and are not affected by demand changes.
- 4.5 It should be noted however that in some areas fees and charges income has been affected by the impact of Covid and the lockdown and so is not meeting current budget targets.
- 4.6 Any changes to fees and charges listed in this report are applicable from 1<sup>st</sup> January 2023 unless otherwise stated.



## 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 2023
- Appendix B: Fees and charges deleted from the schedule since 2022