

CABINET

18 February 2014

Title: Fees and Charges 2014/15	
Report of the Cabinet Member for Finance	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Kathy Freeman – Group Manager, Corporate Finance	Contact Details: Tel: 0208 227 3497 E-mail: kathy.freeman@lbbd.gov.uk
Accountable Director: Jonathan Bunt, Chief Finance Officer	
Summary Local Authorities are involved in a wide range of services and the ability to charge for some of these services has always been a key funding source to Councils. This report concerns itself with recommending the appropriate level of fees and charges for the 2014/15 financial year for those services where the Council has decided to set fees. In preparing the proposed fees and charges, Directorates have worked within the framework of the agreed Charging Policy. In order to protect residents and users, the Council has decided not to impose an across the board increase in fees and charges. Each service has been reviewed and the charges reflect those of competitive market rates for the service. The proposed charges for 2014/15 are detailed in Appendix A to this report. The proposed deletion of current fees and charges are detailed in Appendix B to this report.	
Recommendation(s) The Cabinet is recommended to: (i) Agree the proposed fees and charges as set out in at Appendix A to the report, to be effective from 1 April 2014; (ii) Note the fees and charges no longer applicable from 31 March 2014, as set out in Appendix B; (iii) Delegate authority to the Corporate Director of Children’s Services, in consultation with the Chief Finance Officer and the Cabinet Members for Finance and Education, regarding the setting of fees and charges which are applied from September for schools and academic year based activities; and	

- (iv) Delegate authority to the Corporate Director of Adult and Community Services and Corporate Director of Housing and Environment, in consultation with the Chief Finance Officer and Portfolio Holders, to amend the fees and charges for Park Events once the policy decision on service direction has been agreed.

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.

1.0 Introduction and Background

- 1.1 Councils are involved in a wide range of services and the ability to charge for some of these services has always been a key funding source. The types of services provided by the Council where fees and charges are currently levied often fall into a broad category of traditional income generating services.
- 1.2 The income generating services contain both statutory and discretionary services. Where fees and charges apply to mandatory services, these are often set nationally, for example planning fees. The majority of mandatory services are not funded directly from fees and charges but instead from the Council's main income sources, i.e. Government grant and Council Tax revenue. Examples of services funded in this way are Highway Maintenance, Children's Services, Cleansing and Domestic Refuse services.
- 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 Care services, Libraries, Licensing, Pest Control, Commercial Waste, Drainage, Markets, Leisure and Recreation facilities and Parking and the Registrar service. This report concerns itself with recommending the appropriate level of fees and charges for 2014/15 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 to do so.

2.0 Medium Term Financial Strategy 2014/15

- 2.1 The Council's Medium Term Financial Strategy for 2014/15 assumes no change to fees and charges income. Therefore any additional gain or loss in income will be resulting from changes in fees and charges will be retained within Directorates.
- 2.2 Every year Corporate Directors need to assess those services which warrant higher or lower increases in fees and charges to reflect the achievement of their overall budgets, the economic climate and market conditions.

3.0 Charging Policy

- 3.1 The Council has an agreed Charging Policy which requires that all charges are reviewed annually as part of the budget setting process.
- 3.2 The Charging Policy has three fundamental principles:
- Services should raise income wherever there is a power or duty to do so;
 - 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.

4.0 Proposed Fees and Charges for 2014/15

- 4.1 Attached to this report at Appendix A are the proposed fees and charges for 2014/15 which will be effective from 1 April 2014.
- 4.2 The Appendix details the following information:
- Description of service provided;
 - Current 2013/14 charge;
 - Proposed 2014/15 charge;
 - Proposed increase in pounds and in percentage terms;
 - The rationale for a given increase, as well as any other comments.
- 4.3 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.

5.0 Adult and Community Services (Ref 1 – 336)

- 5.1 The Directorate has taken account of a number of factors in establishing the level of increase in fees from April 2014, including inflation, market conditions and current income levels. Further detail and explanations from specific service areas within the Directorate are provided below.

5.2 Adult Social Care (Ref 1 – 7)

- 5.2.1 For care and support provided in the community, the Council's Fairer Contributions Policy, which was implemented with effect from 1 October 2011, is used to calculate

charges based on service costs and income. Further details can be obtained from the report presented to Cabinet on 12 July 2011 (Minute 23 refers).

- 5.2.2 The charges for in-house Residential Homes (80 Gascoigne Road and Kallar Lodge) have been uplifted to reflect unit cost estimates for 2014/15. This is in line with the corporate charging policy of aiming for full cost recovery.
- 5.2.3 The charges for in-house Day Care centres (Heathlands and Maples) follows a differential charging strategy introduced last year to remain competitive with local providers. As the Fulfilling Lives programme is implemented, and increasing numbers of users receive personal budgets, charges will be reviewed to ensure full cost recovery is maintained.
- 5.2.4 All charges include a factor of 12% to cover corporate overheads as this represents the approximate share of overheads for the Directorate. This percentage has been applied to unit costs calculations.

5.3 Culture and Sport

5.3.1 Eastbury Manor House (Ref 8 – 76)

- 5.3.2 The civil marriage/partnership ceremonies and receptions price structure will be simplified with the deletion of seasonal variation of charges and the introduction of all year charges.
- 5.3.3 New children's party packages with catering are being introduced with prices ranging from £16 to £26 per child. This followed a successful pilot event for 15 children charging £14 per child and compared favourably with a local company whom would charge £18. Feedback from that pilot and subsequent enquiries as to future bookings has led to an agreed starting price of £16 in order to ensure costs are covered. It is anticipated this introduction will address some of the income shortfall that has emerged in relation to the wedding packages.
- 5.3.4 The room hire pricing structure will be simplified with the deletion of seasonal variation of charges and the introduction of all year charges. The small evening functions charge is being deleted due to low take up. New weekend charges are being introduced to reflect the premium period.
- 5.3.5 Some weekday charges are being reduced to encourage bookings and discounts for community/charity use and internal bookings are being reduced to standardise the discount (25%). The whole house (7 room) charge is being increased as the charges were recognised as being too low (and subsequently inconsistent) compared to the cost of a single room. The rates still represent good value compared to booking individual rooms and thus is expected to increase the level of income generated.

5.4 Valence House (Ref 77 – 107)

- 5.4.1 Room hire charges were increased in 2013/14 but with the high use of the rooms for school groups with the Museums and Schools Programme, there is currently much less scope for commercial hire and charges will remain unchanged.

5.4.2 Charges for archives and local studies reprographics are to remain unchanged as they are already at the high end of the market, generate only a small amount of income and there has been some reduction in demand.

5.5 Heritage Education (Refs 108 and 114)

5.5.1 A new and competitive charge of £4.50 per child for Borough schools and £5.50 per child from other schools was introduced in 2012/13 and this was maintained for 2013/14. Strong demand this year with the Museums and Cchools Programme has given scope to increase charges to £5.00 per child for Borough schools and £6.00 per child from other schools.

5.5.2 The rate per day for development of specific schemes (externally funded) is to be increased to £200 to bring it in line with Heritage Lottery Funded projects.

5.6 Libraries (Ref 115 – 158)

5.6.1 There is no increase proposed for fines for overdue books. At 30p per day the fine charged by the Council is the highest in its benchmarking group, where the average is 22p.

5.6.2 The same is true for black and white photocopying charges with A4 copies at 20p and A3 at 40p, where the average is 14p and 23p respectively. It is proposed to hold these charges at the current rate.

5.6.3 It is proposed to increase the cost of replacement library cards by 25p, which would mean that adults will now pay £3.00 and children/over 60s will pay £2.00. These charges are among the highest in the benchmarking group, where the average for adults is currently £2.35 and for children £1.19.

5.6.4 In 2012/13 the Council introduced a charge for internet access from its library PCs, the first and only local authority in London to do so. The charge was revised for 2013/14 to introduce more choice for local residents. A £6.00 annual fee for 1 hour computer time per day was introduced and this has proved popular. It is proposed that all current computer charges remain at 2013/14 levels. This includes free subscriptions for all under 20's and over 60's and charges for non library card holders to use the service.

5.6.5 An increase to the charge for loaning materials from the British Library is proposed. The total application charge will increase from £5.50 to £6.00 per item. This would bring the Barking and Dagenham charge closer to the average for the benchmarking group for this service.

5.7 Barking Learning Centre (Ref 159 – 201)

5.7.1 After measures taken in recent times to bring hire charges in line with comparable facilities, it is proposed to increase room hire charges by an average of 2%. The current charges are relatively high compared to other local venues.

5.8 Leisure Centres (Ref 202 – 299)

5.8.1 The key principles that inform the fees and charges levied at the leisure centres were agreed by Members as part of the 2012/13 budget round. There is a clear

mandate to make the service as cost effective as possible, whilst ensuring charges remain affordable. The aim is to achieve 100% direct cost recovery for the service. In terms of pricing policies at the leisure centres, this means:

- 5.8.2 Discounts to standard prices will be provided to those residents for whom price can be a barrier to participation:
- Children and young people aged 16 and under
 - Full time students
 - People over the state pension age
 - People on low incomes in receipt of means tested benefits
 - People receiving 'carer's allowance'
 - People on disability related benefits; and
 - Serving Armed Services Personnel
- 5.8.3 Service users who are not Borough residents will be charged more for services, where appropriate.
- 5.8.4 Pricing changes will be informed by market conditions and, in particular, by benchmarking against London and near neighbour councils. The normal approach will be for standard prices to be pitched at about the London average and/or towards the top end of what is being charged for by local authority provided or commissioned services in neighbouring councils.
- 5.8.5 The LBBB staff concession for memberships will be set at 75% of the standard price. For corporate memberships the price will be pitched at the same level as standard charges with discounted prices only becoming available when certain thresholds have been reached in terms of membership take up.
- 5.8.6 The key income streams for the leisure centres are Active Fitness memberships, swimming lessons and casual swimming.
- 5.8.7 For 2014/15 the following changes are proposed:
- Increase the standard Active Fitness membership price from £40 to £41 (an increase of 3%);
 - Increase the 10 week block swimming lesson price from £57 for adults to £59 (an increase of 4%) with a corresponding increase in the concessionary price from £43 to £45; and
 - Increase in the casual swimming 'pay and play' price to £3.80 for adults (up by 10p or 3%) and for concessions £2.45 (up by 5p or 2%).
- 5.8.8 Changes are also proposed for the Jolly Jungle soft play facility to bring them in line with other providers: a 20p increase to under 3s and over 3s, up to £4.40 (5% rise) and £5.40 (4% rise) respectively; as well as a 40p or 3% increase to the monthly membership price from £12.40 to £12.80.

5.9 Barking Splash Park (Ref 300 – 304)

- 5.9.1 The aim is to achieve 100% direct cost recovery for this service.

5.9.2 It is proposed to keep the prices the same as 2013/14 for the Barking Splash Park standard price for children aged over 1: Borough residents £3.10 and for other service users up £3.60.

5.10 Jim Peters Stadium (Ref 305 – 312)

5.10.1 The aim is to achieve 100% direct cost recovery for this service.

5.10.2 It is proposed to keep the same prices for the athletics arena as 2013/14 as we continue to develop the programme at the facility. The key charges proposed are as follows: athletic club hire charge - £45 per hour; school athletics sports day - £40 per hour; other hire - £50 per hour.

5.11 The Broadway theatre (Ref 313 – 318)

5.11.1 Whilst the Council continues to manage the venue the key hire charges proposed are as follows:

- Theatre per hour (Monday – Thursday): Commercial - £85, Community - £65
- Theatre per hour (Friday – Sunday): Commercial - £105, Community - £85 (min. 4 hour booking)
- Drama studio/Dance studio per hour: Commercial - £25, Community - £20

5.11.2 Ticket prices for individual shows that are programmed by the Council will be set by officers on a show by show basis based on the nature of the performance programmed as well as its likely appeal and associated costs.

5.12 Parks Events (319 – 336)

5.12.1 The future management of Park Events is currently being reviewed. A policy paper is currently being put together which will set out the arrangements for these events going forward. Therefore the fees and charges for park events are being frozen pending the policy paper decision. The responsible officers are requesting permission for delegated authority to amend prices once the direction of the service has been agreed.

6.0 Children's Services (Ref 337 – 349)

6.1 Early Years Provision (Ref 337 – 341)

6.1.1 The uptake of the service at 2013/14 rates has been low. The current charges mean that the council nurseries are the two most expensive in the borough. Therefore it is proposed that the fees and charges are not increased further and remain the same for 2014/15.

6.2 Butler Court (Ref 342 – 349)

6.2.1 Charges for room hire are increasing by a rounded 2.7%, which is in line with inflation.

7.0 Housing and Environment (Ref 350 – 828)

7.1 Park Sports (Ref 332 – 373)

- 7.1.1 Sports pitch changing rooms: These charges reflect full cost recovery (direct costs and overheads) and as a result will need to rise in line with the inflation figure of 2.7% in order to maintain this. These charges were introduced in 2013-14 but have so far not been implemented. The aim is to do so in the 2014-15 football and rugby season.
- 7.1.2 Football/ Cricket Pitches: These charges have been adjusted to ensure that the multiple game rate is cheaper than the single game rate. If games are booked individually then the customer has to pay VAT, whereas if they book in blocks of 10+ then they do not have to pay VAT. The current charges do not reflect this by actually charging more per game for individual books compared to block booked games,
- 7.1.3 Rugby, Lawn Bowls and other park sports charges: These have been increased in line with inflation of 2.7% in order to ensure they rise at the same rate as the cost to the service. Charges for the use of a rugby pitch for single use have been removed as it is never used and it is preferable to attract season long users in terms of cost efficiency of the administration.

7.2 Allotments (Ref 374)

- 7.2.3 There are 17 statutory allotment sites within the borough which are leased to eight different allotment societies. The current lease arrangements are the subject of an ongoing review. It is proposed that the charge per acre is increased by 2.7% in line with inflation.

7.3 Ranger Services (Ref 375 – 393)

- 7.3.1 It is proposed that the charges for hiring out a room at the Barking Park visitor centre be increased by 28% to £16 in order to bring the centre in line with the charges for hiring a room at the millennium centre as these are comparable venues. The millennium centre room hire is recommended to be frozen in order to align both charges. Other Ranger service charges are recommended to increase by 2.7% in line with the expected increase in the cost of running the service.
- 7.3.2 It is recommended that the Boating Lake charges are removed and charges are set at a commercial rate as part of negotiations with a future concession operator. Educational charges for Eastbrookend have also been removed to ensure a consistent price at Eastbrookend and Barking Park. The Barking Park education charge has now been renamed 'Education charge' to cover charges for both sites.

7.4 Parking (Ref 394 – 481)

- 7.4.1 In order to address the large number of enquiries received expressing concerns regarding the wide variation of parking charges across the borough it has been proposed that a standardised approach is taken across all charges.

- 7.4.2 The aim in 2014/15 is to standardise the charges for pay and display to ensure consistency across the borough. If any new areas are identified in the course of the year, the same agreed pricing structure can be applied.
- 7.4.3 In order to achieve this approach, four categories of charges have been proposed: On Street, Off Street, Shopping Parades and multi-storey. These will also be categorised into the two areas of Barking and Dagenham. Consolidating the charges will reflect substantial percentage increases and decreases in some locations.
- 7.4.4 London road car park season tickets (6am- 8pm) are recommended to increase by 20% as there is a waiting list. A 2.7% increase is also proposed for all of the other multi storey charges and all other parking charges not mentioned above.

7.5 Regulatory Services (Ref 482 – 719)

- 7.5.1 Licensing: The majority of these are prescribed by the government and so may not be changed however those which are within the council's powers, a 2.7% increase has been applied. In addition a thorough cost review is being undertaken to ensure that the charges comply with the EU services directive. This follows a High Court decision which requires that licence costs must be in line with the cost of the licence to the council and must not include the cost of enforcing the licence.
- 7.5.2 Barking Market: After consultation with Charfleets and a benchmarking exercise of surrounding markets it is proposed to increase these charges by annual inflation that is a figure of 2.7%. Charges are subject to a statutory consultation with licence holders.
- 7.5.3 Highways: Permits for road works are prescribed by government and cannot be changed. All other charges are recommended to be increased it is proposed to increase these charges by annual inflation that is a figure of 2.7%. Furthermore an additional charge has been proposed for unplanned road closures. It would normally occur 2-3 times a year and is likely to be a charge on utility companies. The charge of £1,500 has been derived by charging 50% of what is charged for a 'planned' road closure. This formula is also applied by Havering Council.

7.6 Direct Services (Ref 720 – 799)

- 7.6.1 Pest Control: Charges in this area have been increased by 2.7% in line with inflation. A new charge is being proposed for Bedbugs - Commercial fee, as an extra charge per bedroom for properties which exceed three rooms. This is to avoid properties with numerous bedrooms taking advantage of our commercial rate which currently is a fixed cost per building.
- 7.6.2 A costing and benchmarking exercise was undertaken that revealed our costs were often less than our charges and our charges are more than our competitors but it is proposed that we do not want to compete with the private sector in Pest Control as this takes focus away from our core areas.
- 7.6.3 Trade Waste: A benchmarking exercise has been undertaken which reflects that our charges for the collection of trade refuse sacks and Euro bins are much higher than our competitors. Calculations have also been undertaken that demonstrate that each collection brings in a profit and would therefore cost the council income if

it was to lose customers. As a result of these findings, it is recommended that these charges are frozen for 2014-15.

- 7.6.4 For all other charges the costs of providing the service has been broken down between the operational element and the disposal element. The disposal element relates to the cost which ELWA charges the council to dispose of its waste. ELWA are increasing their charges to the council by 7.8% in 2014/15 from £128 per tonne to £138 per tonne. As a result of this, it is proposed that the disposal element of the charge is increased by 7.8% and the remaining part by inflation of 2.7% to ensure full cost recovery (direct costs and overheads).

7.7 Housing (Ref 800 – 831)

- 7.7.1 Eastbrookend Caravan Site: These have been capped at the Local Housing Allowance limit of a 2% increase in order to ensure that the council can claim back all of the rental income from central government and avoid the risk of bad debt by collecting from the residents themselves.
- 7.7.2 Garages: These have been removed from the fees and charges report as they should be included within the rent report which is on a separate agenda item
- 7.7.3 Right to Buy: These have been recommended to be increased by 2.7% in line with inflation.
- 7.7.4 Private Rented Housing Licensing Scheme: A separate report is being presented to Cabinet in February 2014 detailing the proposed new charges for the scheme.

8.0 Chief Executive (Ref 829 – 895)

8.1 Registrars (Ref 832 – 867)

- 8.1.1 Fees and charges have been updated to ensure that the Council is operating on a full cost recovery basis for these services. It should be noted, that the National Checking Service Flat charge per document should include VAT, therefore it is proposed that the Adult & Child charge should remain the same in line with neighbouring boroughs, but resulting in a reduction in the net charge.
- 8.1.2 It is proposed that the charges for marriages and civil partnerships, are increased ranging from 12% - 41% in order to bring the borough in line with its neighbouring authorities. These charges are still cheaper than our neighbours and would increase income generation. However, it is recognised that this could have an adverse impact on the number and type of bookings for weddings at Eastbury Manor House as the new charges could now make the overall cost of a wedding package at the venue unaffordable for some people.
- 8.1.3 There are a few charges which should not include VAT as statutory services and it is proposed that these charges remain the same as the net charge and the VAT element removed. These charges are; Copy full and short certificates (open), Copy full and short certificates (open) after day of registration and Registrar Attendance at place of worship (includes stat certificate).

8.2 Careline – Social Alarms Service (Ref 868)

- 8.2.1 Charges for the Social Alarm service have not been increased in the past 10 years and it is proposed that this charge is increased by 2.7% and VAT has also been applied to the charge when previously it was not. This increase would mean a proposed gross impact on users of circa 92p a week extra.

8.3 Street Naming and Numbering_(Ref 869 – 873)

- 8.3.1 It is proposed that these charges are increased in line with inflation at a rounded 2.7% increase. Income received from this area is largely dependent upon the amount of ongoing housing development within the Borough so it is expected that the planned inflationary increase will not have an effect on the demand for the service.

8.4 Pre-Application Planning Meetings (Ref 871 – 882)

- 8.4.1 These proposed charges for 2014/15 have been increased in line with inflation and it is anticipated that the demand for the service would not be impacted.

8.5 Local Land Charges / National Land Information Service (Ref 883 – 897)

- 8.5.1 Local Land Charges are subject to public scrutiny and the Authority is required to publish details of the costs and income relating to this activity on its public website. The Authority must set its charges for this area with the intention of breaking even over a rolling three year period.
- 8.5.2 There is also a current ongoing court case where Local Authority rights to make these charges are being challenged - this could result in these charges being dropped and having to pay back up to 5 years income. In light of this uncertainty, it is proposed that there are no price increases in this area.

8.6 Information Governance (Ref 898)

- 8.6.1 The Data Protection Act 1988 Section 7(1) gives individuals the right to access their personal data and this is called a subject access data. The Act also allows organisations charge a maximum fee of £10 for dealing with such requests. It is proposed that the Council introduces these charges due to the volume of requests received approximately 180 – 200 per annum.

9. Options Appraisal

- 9.1 Officers have considered a range of options as to changes to existing fees and charges and where appropriate used market knowledge and benchmarking to inform the proposals.

10. Consultation

- 10.1 The revised fees and charges have been set using benchmarking information and through discussions with other councils.

11. Financial Implications

- 11.1 The financial implications are considered throughout this report. It is estimated that the changes in the fees and charges in 2014/15 will bring in an additional £85k-£100k of income.

12. Legal Implications

Implications completed by: Paul Feild, Senior Corporate Governance Lawyer

- 12.1 The Council as a local authority 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. Furthermore 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.

13. Other Implications

- 13.1 **Risk Management** - In proposing these revised fees and charges officers have considered the impact of increases adversely affecting demand for the service and in turn on the achievement of both the community priorities and the Council's budget. The risk of these proposals will be monitored through the Council's various performance indicators, its service scorecards and the budget monitoring processes.
- 13.2 **Customer Impact** - Officers have amended fees and charges in such a way as to try, where possible, to minimise the impact on customers during these difficult times while at the same time enabling the Council to achieve a balanced budget and ensure full cost recovery. In some instances fees and charges have been reduced in order to deliver better value for money for our residents and to encourage increased take up of services.

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

List of appendices:

- **Appendix A:** Schedule of Proposed Fees and Charges
- **Appendix B:** Schedule of Previous Fees and Charges that are no longer applicable