

CABINET

10 November 2015

Title: Fees and Charges 2016	
Report of the Cabinet Member for Finance	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
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Accountable Director: Jonathan Bunt, Strategic Director of Finance and Investment	
Summary <p>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.</p> <p>This report concerns itself with recommending the appropriate level of fees and charges across all directorates, to take effect from 1 January 2016 unless otherwise stated.</p> <p>In preparing the proposed fees and charges, Directorates have worked within the framework of the agreed Charging Policy. Each service has been reviewed and the charges reflect those of competitive market rates for the service.</p> <p>The full list of proposed charges is detailed in Appendix A to this report.</p> <p>The proposed deletion of current fees and charges are detailed in Appendix B to this report.</p>	
Recommendation(s) <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none">(i) Agree the proposed fees and charges as set out in Appendix A to the report, to be effective from 1 January 2016 unless otherwise stated;(ii) Note the fees and charges no longer applicable from 1 January 2016, as set out in Appendix B to the report; and(iv) Delegate authority to the Corporate Director of Children’s Services, in consultation with the Strategic Director of Finance and Investment and the Cabinet Members for Finance and Education and Schools, regarding the setting of fees and charges which are applied from September for schools and academic year based activities.	
Reason(s) <p>The setting of appropriate fees and charges will enable the Council to generate essential</p>	

income for the funding of Council services. The approval of reviewed fees and charges will also ensure that the Council is competitive with other service providers and neighbouring councils.

1. 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, Social Care, 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, Parking and the Registrar service. This report concerns itself with recommending the appropriate level of fees and charges from 1 January 2016 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.

2. Medium Term Financial Strategy 2016/17

- 2.1 The Council's Medium Term Financial Strategy for 2016/17 assumes no change to fees and charges income. Therefore any additional gain or loss in income resulting from changes in fees and charges will be retained within Directorates.
- 2.2 Every year senior officers 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. 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. Proposed Fees and Charges 2016/17

4.1 Attached to this report at Appendix A are the proposed fees and charges for 2016/17 which will be effective from 1 January 2016 unless otherwise stated.

4.2 The Appendices detail the following information:

- Description of service provided;
- Current 2015/16 charge;
- Proposed charges from 1 January 2016;
- Proposed increase in pounds and in percentage terms;
- The rationale for a given increase, as well as any other comments.

4.3 In most cases fees and charges have been increased by the Retail Price Index (RPI) as at August 2015 of 1.1% rounded up to the nearest 50p or £1.

4.4 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. Adult and Community Services (Ref 1 - 447)

5.1 A review of the current year's fees and charges has been undertaken to set prices for the directorate's chargeable services effective 1 January 2016.

5.2 The directorate has not only taken account of inflation in establishing the new charges, but other factors including benchmark data with other authorities, market conditions and current income levels. Further detail and explanations from specific service areas within the directorate are provided below.

5.3 Adult Social Care (Ref 1 - 4)

5.3.1 A revised charging policy in respect of care and support services was agreed at the February Cabinet ensuring that the Council is Care Act compliant from April 2015. A wider review is also underway on the scope and level of charges for care and support in the community as a result of the Care Act 2014, including the option of providing services for carers; a further report will be presented to Cabinet in November 2015.

5.3.2 The charges for in-house Residential Homes (80 Gascoigne Road & Kallar Lodge) have been uplifted by inflation. The charges for the in-house Day Care centre Heathlands follow a charging strategy introduced to remain competitive with local providers. Charges are still lower than the market and more in line with the intensity of the support needed for clients who are being supported by continuing healthcare funding. As increasing numbers of users receive personal budgets, charges will be reviewed to ensure full cost recovery is maintained.

5.4 Culture & Sport (Ref 5 - 266)

5.4.1 Eastbury Manor House (Ref 5 – 83)

5.4.2 A revised pricing structure is proposed which is based on the principle of moving over time to realise direct cost recovery for the House from income raised. The focus is on raising commercial hire prices reflecting room size and premium hire periods. Increases are lower for community hires.

5.4.3 There are a range of new venue hire packages including a standard and deluxe conference package for commercial organisations as well as non-resident and LBBD resident packages for social functions, including dinner and dinner/dance receptions for weddings and parties. Discounts have been reduced from 50% to 25% for LBBD clients to ensure our costs are being covered in delivering these bookings. Discounts have also been standardised for one-off promotions as well as for charity/community and LBBD clients. Other charges, such for civil ceremonies have been increased only by inflation and rounded up accordingly.

5.4.4 It is not proposed to increase admission charges in 2016/17 to the House by National Trust members and the wider public. These are changed on a bi-annual basis in consultation with the National Trust, who own the House, and in any case and raise a relatively low level of income.

5.4.5 Valence House (Ref 84 – 111)

5.4.6 Room hire charges have been revised based on area of each space by square metre. This has meant a reduction in one charge but increases in others, but there will be an increased scope to hire out the rooms with the end of the Museums and schools programme in March 2016.

5.4.7 Charges for most archives and local studies reprographics are to remain unchanged as they are already at the high end of the market and generate only a small amount of income. Charges for reprographics for publication will rise by inflation and rounded.

5.4.8 Heritage Education (Ref 112 – 123)

5.4.9 The heritage education offer is charged for on the basis that direct cost recovery is achieved.

5.4.10 To achieve this, charges were increased significantly in 2014/15 by £1.50 to £6.00 for Borough schools and by £1.50 to £7.00 for non borough schools visits to Valence House Museum and Eastbury Manor House. With additional funding from Arts Council England for the Museums and Schools Programme enabling free coach travel set to end in March. These charges will be kept the same as 2015/16,

at £6.00 per child for Borough Schools and £7.00 per child for non Borough schools, to minimise drop off in take up of schools in 2016/17. Other Heritage Education charges to rise by inflation and rounded.

5.4.11 Libraries (Ref 124 – 165)

5.4.12 Overall the charges levied by the library service are high compared to our benchmarking group, so there is considered to be limited scope to raise these significantly.

5.4.13 There is a 1p increase proposed for fines for overdue books, CD's and audio books. At 36p per day the fine charged by the Council is the joint highest with Havering in its benchmarking group, where the average is 30p.

5.4.14 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.

5.4.15 It is proposed to increase the cost of replacement library cards by 15p, which would mean that adults will now pay £3.25 and children/over 60s will pay £2.25. These charges are among the highest in the benchmarking group, with LBBB the second highest.

5.4.16 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 2014/15 to introduce first half an hour of usage free of charge for all library users to help improve usage of computers in libraries. A £6.50 annual fee for 1 hour computer time per day was introduced and this has proved popular. It is proposed that all current computer charges are increased by 50p. Free subscriptions for all under 20's and over 60's will also remain.

5.4.17 Increase to the charge for loaning materials from the British Library is proposed. The total application charge will increase from £6.50 to £10.00 per item. This would bring the Barking and Dagenham charge closer to the average for the benchmarking group for this service.

5.4.18 Barking Learning Centre (Ref 166 – 215)

5.4.19 After measures taken in recent times to bring hire charges in line with comparable facilities, it is proposed to increase room hire charges by inflation but rounded to the nearest £.

5.4.20 Leisure Centres (Ref 216 – 258)

5.4.21 The service is working to achieve 100% direct cost recovery for the leisure centres as well as a contribution towards overheads and the cost of capital. The aim is to make the service as cost effective as possible but to try to ensure that prices remain affordable.

5.4.22 Accordingly, discounts to standard prices are to 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

5.4.23 Pricing changes are informed by market conditions and, in particular, by benchmarking against London and near neighbour councils. The approach adopted over the past three years has been for standard prices to be pitched at about the London average and towards the top end of what is being charged for by local authority provided or commissioned services in neighbouring councils.

5.4.24 In previous years there have been a variety of membership packages available, which has been both confusing and complex. It is also necessary to respond to the recent introduction of meaningful competition in the health and fitness market in the Borough.

5.4.25 For 2016/17 there will be just three types of packages available, a basic, standard and premium package. These will be simple to understand, provide variety, as well as added value in the standard and premium packages. All the packages will offer an appropriate and affordable price point and will not tie customers in for a long period.

5.4.26 The LBBB staff concession for memberships will continue to be offered but will follow the new membership packages. There will be no discount on the basic membership package but an appropriate discount will be applied to the standard and premium packages.

5.4.27 The 2015/16 'Loyalty' card scheme for Adults will be deleted. This is to fall in line with the councils approach to moving towards a cashless service. Existing Loyalty card customers will be able to take out a monthly membership which offers that same financial and service benefits.

5.4.28 The key income streams for the leisure centres are memberships and swimming lessons. For 2016/17 the following change is proposed to Increase the junior 10 week block swimming lesson from £47 to £50 (an increase of 6.4%).

5.4.29 **Barking Splash Park**

5.4.30 These prices are to be deleted as the Splash Park will be operated by a third party operator during 2016/17 and for which a fee will be paid to the Council. This will be a more financially favourable arrangement than when the Council directly operated the facility.

5.4.31 **Jim Peters Stadium (Ref 259 – 266)**

5.4.32 The aim is to achieve 100% direct cost recovery for this service as well as a contribution towards overheads and the cost of capital. It is proposed to increase the charges in line with the recommended inflation increase.

5.4.33 **Broadway Theatre**

5.4.34 These prices are no longer applicable as the Theatre is now managed by the Barking and Dagenham College.

5.5 **EHTS Regulatory Services (Ref 267 – 447)**

5.5.1 **Licences (Ref 267 – 447)**

5.5.2 There is currently no scope to increase these charges as charges are either at the maximum levels allowed by legislation or in accordance with European Service Directives. Charges against the Poisons Act are no longer applicable, as the legislation has now been repealed, therefore nullifying the ability to charge.

6.0 **Children's Services (Ref 448 – 461)**

6.1 **Early Years Provision**

6.1.1 Fees have been increased to cover contract inflation. Nursery fees will be implemented from 1 April 2016.

6.2 **Butler Court**

6.2.1 Butler Court has been transferred to Housing, therefore the fees for teacher's rooms are no longer applicable.

7.0 **Environmental Services (Ref 462 – 874)**

7.1 A review of the current year's fees and charges has been undertaken to set prices for the chargeable services effective from 1 January 2016.

7.2 Specific charges which have increased above inflation or reduced below inflation and new charges introduced are discussed below.

7.3 **Parking (Ref 510 – 601)**

7.3.1 The pricing structure for parking has been held at 2015/16 prices. There will be proposals brought forward in early 2016 for a new Parking Strategy which will include options for a new charging structure. A new season ticket for overnight and weekend parking in car parks has been introduced that is consistent with fees already approved for 24hr and day time parking.

7.4 **Barking Market (Ref 616 – 645)**

7.4.1 It has been proposed to increase these charges by 2% for cash payments to recognise additional cash processing costs and to incentivise cashless payments. Payments made by card are to be held at 2015/16 rates. It should be noted that these and all street trading charges are subject to a 28 day statutory consultation with license holders.

7.5 Private Sector Housing (Ref 743 - 754)

7.5.1 Mandatory House of Multiple Occupation (HMO) and Additional licence fees have increased to reflect the costs of enforcement and the additional administration these properties require. This increase brings rates in line with comparable boroughs and reflects legal clarification on charging for enforcement. All other fees have been increased by RPI.

7.6 Highways (Ref 764 - 783)

7.6.1 Licences and permits have increased to bring rates in line with comparable boroughs.

7.6.2 Street work permit charges (London Permit Scheme - LoPS) are set by central government and hence no increase has been applied.

7.6.3 Fees for Traffic Management Orders (TMO) and for white lines at footway crossings have been included in the schedule. These charges have been set on a full cost recovery basis for the Council.

7.7 Direct Services (Ref 797 – 871)

7.7.1 Fees for pest control and refuse services have been increased by RPI.

7.7.2 Grave fees have increased by 20% and internment fees by 30% to bring charges close to an average across other comparable boroughs. The new charges remain on average 20% below the average of the 11 local authorities benchmarked.

7.8 Fleet (Ref 872 – 878)

7.8.1 New charges have been included in the schedule for driver training and MOT testing in the workshop which was brought in-house in September 2015.

8.0 Housing (Ref 879 – 903)

8.1 General Housing (Ref 879 – 880)

8.1.1 These charges are based on the Local Housing Allowance (LHA) Rates for the borough.

8.2 Right to Buy (Ref 881 – 903)

8.2.1 These charges have been increased by RPI with rounding.

9.0 Chief Executive (Ref 904 – 980)

9.1 Registrars (Ref 904 – 939)

9.1.1 Fees and charges have been updated to ensure that the Council is operating on a full cost recovery basis for these services. Most of the charges have had increases applied that enable them to remain competitive with local boroughs.

9.1.2 The new task introduced last year for Dusk Marriages (Late Fridays) has not had any take up, therefore it is proposed to reduce this charge to be more competitive.

9.1.3 Two charges have been removed, individual citizenship payment (per child) as children are free for this service, and nationality checking service per child so that there is one rate for adults and children.

9.2 **Social Alarms (Ref 940)**

9.2.1 Charges for the Social Alarm service have been held due to a major increase in 2014/15.

9.3 **Street Naming & Numbering (Ref 941 – 945)**

9.3.1 It is proposed that these charges are increased in line with inflation with rounding. 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 increase will not have an impact on the demand for the service.

9.4 **Pre-Application Planning Meetings (Ref 946 – 955)**

9.4.1 These charges were significantly increased in September 2015 after agreement by Cabinet in June 2015. Therefore it is not proposed to increase them again so soon but to be reviewed next year as part of the fees and charges report for 2017/18.

9.5 **Local Land Charges / National Land Information Service (Ref 957 – 971)**

9.5.1 Local Land Charges are subject to public scrutiny and the Council is required to publish details of the costs and income relating to this activity on its public website. The Council must set its charges for this area with the intention of breaking even over a rolling three year period.

9.5.2 Therefore, in the light of relatively static employee costs and reducing support charges, a price increase in this area would be difficult to justify. There is also an ongoing court case involving many Councils nationally, the result of which could further restrict the authority's ability to justify the current charging model. It is proposed that there are no price increases in this area.

9.6 **Information Governance (Ref 972)**

9.6.1 This charge set by the Government relates to the Data Protection Act 1988 Section 7(1) which gives individuals the right to access their personal data and this is called a subject access data. The Council already charge the maximum fee allowed under the Act, therefore this price cannot be increased.

9.7 **Court Costs (Ref 973 – 980)**

9.7.1 These charges are already at the maximum compared to other London boroughs. Any increase would be highly likely to be refused by the Courts. Therefore it is not proposed to change these charges.

9.7.2 If court costs were to be increased by the Courts during the year the possessions costs (Ref 971) would need to be increased in line with this.

10.0 Options Appraisals

10.1 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.

11.0 Consultation

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

12.0 Financial Implications

12.1 The financial implications are considered throughout this report. Additional income will be generated from increases but this is variable as it is also dependent on demand for the services.

13.0 Legal Implications

Implications completed by: Paul Feild, Senior Corporate Governance Lawyer

13.1 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.

14.0 Other Implications

14.1 **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.

14.2 **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