

Report for:	Cabinet	Item number	To be added by the Committee Section
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Title:	Review of Fees and Charges 2012/13
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Report authorised by :	<i>J. Parker</i> 30/1/12 Julie Parker Director of Corporate Resources
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Lead Officer:	Graham Oliver (020 8489 3725) <u>Graham.oliver@haringey.gov.uk</u>
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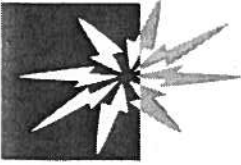
Ward(s) affected: ALL	Report for Key/Non Key Decision: Key
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1. Describe the issue under consideration

As part of the Medium Term Financial Plan and income policy the Council is required to carry out an annual review of its fees and charges with a view to ensuring its income from these sources are maximised, whilst ensuring that the principle of cost recovery is maintained.

The current inflation rate (RPI) is 4.8%, however an indicative rate of 3% has been proposed for the purposes of applying a default increase for 2012-13 across the full range of Council Fees and Charges, for the following reasons:

- Fees and charges were raised by a significant percentage in 2011-12 and the view taken is that to increase by the current RPI would be overly detrimental to the collection of the Council's income.
- The Bank of England and Office of Budget Responsibility are both expecting the current RPI to start falling in 2012 and have estimated an RPI of 3% by the end of 2012 or early 2013.



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- The principle of cost recovery is maintained by the approval of an increase that is below the rate of inflation.

The detailed proposed increases to fees and charges are included in the attached appendices. Section 5 below sets out any exceptions to the indicative average 3% increase(s).

2. Cabinet Member Introduction

It is important that as part of our on-going financial planning in these difficult economic times that we continue to comply with the Council's policy to annually review our fees and charges. We need to use all the avenues available to us to minimise service reductions and to deal with the financial pressures that we face. I believe a 3% increase is the right level when compared with inflation which is running at approximately 5%.

I commend this report to the Cabinet.

3. Recommendation

- 3.1 To approve increases to the Council's fees and charges, as contained in Appendices 1 to 10 (excluding Pendarren House at Appendix 10), with effect from 1st April 2012, subject to an equalities impact assessment being carried out where appropriate and any subsequent changes then required being delegated to the relevant Director in consultation with the appropriate Cabinet Member.
- 3.2 To approve the increase of fees for Pendarren House by 3% from 1st September 2012 (as contained in Appendix 10), subject to any counter conclusions coming out of the review of Pendarren House, which will be brought back to a later meeting of this Cabinet.

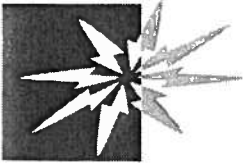
4. Other options considered

Officers have reviewed fees and charges, firstly as part of the annual consideration of fee levels, and secondly due to the need for the Council to maximise its sources of income in order to mitigate against service cuts. Proposals for a zero increase are being made in certain situations as set out in this report.

5. Background information

Service Specific Information

Appendices 1 to 10 detail all fees and charges proposed for increase. These show fees and charges increasing by 3% either by individual



charge or on average across the service as a whole. Exceptions to the proposed 3% increase are set out below.

5.1 Place and Sustainability

5.1.1. Libraries

Selected charges are proposed for increase, based on multiples of five pence for ease of cash handling and are shown in detail in Appendix 2. A small number of charges are proposed for holding at existing levels as these are said to be already at the highest end of our comparator group (see table below). The charges not being proposed for increases are:

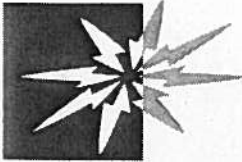
- Overdue book charges
- Lost ticket replacements
- DVD Hire (Blockbuster films)

Current charges	Overdue fines per day	Fines for 60+	DVD hire	Replacement ticket charge	Replacement ticket charge for 60+
Haringey	£0.20	No	£1.00 - £3.00	£2.00	No charge
Islington	£0.12	No	£1.00 - £2.00	£1.00	£1.00
Waltham Forest	£0.18	£0.10	£2.00 - £3.00	Free	Free
Enfield	£0.16	£0.08	£1.50 - £2.50	£2.00	£2.00
Hackney	£0.18	No	Free - £2.00	£1.00	£0.50
Barnet	£0.15	£0.15	£1.50 - £2.50	£1.80	£0.50
Camden	£0.20	£0.10	£1.20 - £2.50	£1.50	£1.50

5.1.2. Parking (Pay and Display, Permits and Blue Badge administration)

The only proposed exception to a 3% increase in parking fees is in relation to Pay and Display. A full review of Pay and Display charges in the Borough is to be carried out. No proposal for increase, therefore, to Pay and Display charges is made in advance of that review.

Changes in legislation for the issuing of blue badges have come into force which mean the Council can no longer print the badges and a printing contractor nominated by the government has to be used. The printer charges the Council for the printing and distribution of the badges. In order to off set some of the administration costs it is proposed that a new administration charge for the issuing of blue badges of £10 per badge (including VAT) is implemented.



5.1.3. Property Services

The professional fee charges are limited by the commercial market, these were increased significantly in 2011/12 and therefore no increases are proposed in 2012/13.

Although staff car parking charges were increased by 50% in 2011/12 they are still significantly lower than other Wood Green car parks and therefore a 3% increase in staff car parking charges is proposed and included in the appendices.

Adults and Housing

5.2.1 Adults

The fees for residential and most community care are based on the full gross cost of the care. The Council has adopted a policy of controlling its costs at the same level as 2011-12 and will not be paying automatic inflationary uplifts. As a result, fees for full cost payers will also remain at 2011-12 levels. However most clients pay a partial means tested contribution to their costs and this contribution will be reviewed in line with increases in pensions and benefits. The fees for services which are not charged at full cost such as Meals and Wheels are proposed for increase by 3%.

5.2.2 Housing

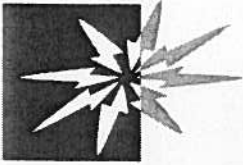
HMO Licensing - There was a 25% increase in 2011/12. The fee rate was consulted upon and agreed in July 2011. The documentation has been updated to reflect the current agreed fee. Licenses are normally issued for a period of up to 5 years. Invoices will be issued and normally paid in year 1 or 2 of the licence, applying the charge agreed for 2011/12. Increasing the fee rate in 2012/13 is unlikely to bring in additional income until the current licences expire in year 5. The attached appendices, therefore, do not include any increase in HMO fees.

5.3 Children and Young People's Service

Currently within the Children and Young People's Service, fees and charges are levied in the following areas:

- Pendarren House;
- The Music Service; and
- Children's Centres.

A suggested approach for each of these areas is set out below, and any charges proposed for increase are detailed in Appendix 10. In addition the conversion of a small number of schools to Academy status creates



a situation where the Council can, in respect of certain services and if it wishes to offer services to those schools, charge; this is also considered further below.

5.3.1 Pendarren House

Pendarren House is the Council's Outdoor Education Centre located in Wales and is used primarily by schools. Over the last 2 years the service has been working towards the centre becoming self-financing and currently there is a small subsidy provided through the Dedicated Schools Grant (DSG). There is no subsidy from the Council's General Fund. Because the centre primarily serves schools it is **proposed that** any price increases apply from 1st September 2012.

However, there is evidence that, following significant increases in the prices charged over the last 2 to 3 years, the centre is finding it difficult to achieve its current target with an estimated shortfall of £89,000 in the current year. CYPS is also embarking on the development of a 'schools trust' model and it is envisaged that traded services such as Pendarren House would be considered as part of this new relationship with schools; in the light of this and in particular the fact that the service receives no General Fund subsidy, it is **proposed that** pending a review of the centre and its fees as a part of a future schools trust model is carried out, including any further changes to the fees and charges for the centre.

Therefore it is **proposed that** the fees for Pendarren House be increased by 3% from 1st September 2012, subject to any counter conclusions coming out of the review of Pendarren House, which will be brought back to a later meeting of this Cabinet.

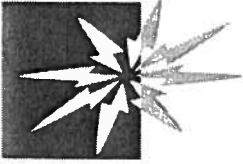
5.3.2 Music Services

It is **proposed that** a 3% increase is applied from 1st April 2012.

5.3.3 Children's Centres

Children's Centres levy childcare fees in respect of children aged 0 – 2 and for any hours taken by 3 and 4 year olds over and above the Free Entitlement (15 hours per week, 38 weeks per year). These charges were increased in September 2011 from a single flat rate of £175 per week, to banded weekly rates of £225 (0 – 2 YO) £200 (2 – 3 YO) and £175 (3 – 5 YO); for the younger age group this represented a significant increase (29%) reflecting a move both to remove cross-subsidisation and to reflect actual costs.

In addition the service has been asked to present proposals for moving to a 'means tested' charging structure. It is **proposed that** firstly any further changes to fee rates in this area take effect from September of each year to reflect the academic year and **secondly that any increase from September 2012 is deferred** until consideration of a means tested



approach has been held by Members. Therefore these charges are not included in this report.

5.3.4 Academies

Academies receive funding for certain services they can no longer expect for 'free' from the Local Authority through the Local Authority Central Service Equivalent Grant (LACSEG). The Council can, although is under no obligation, to offer those services to Academies and may therefore charge Academies for them. Some services (including Pendarren House and the Music Service) are already charging for all schools to use their services, whether or not they are Academies, because the resources have already been delegated to all schools.

Cabinet are asked, therefore, to note the intention of Children's Services to offer, on a full cost recovery basis, traded services to Academies, initially for the Admissions Service.

5.4 Corporate Resources

5.4.1 Land Charges

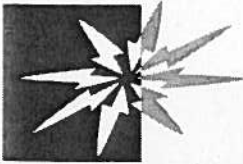
The Council operates a ring-fenced land charges account which is (by statute) expected to break even over a 3 year period. 2012/13 will be the third year of the current period and as 2010/11 over-recovered and 2011/12 is likely to do so again it is **not proposed** that these fees are increased for 2012/13.

5.4.2 Registrars

The review of fees and charges undertaken has resulted in a range of proposals for increase, that on average, exceed the indicative 3% target. The rationale for the proposals is set out in Appendix 8.

6. Comments of the Chief Financial Officer and Financial Implications

The fees and charges proposals are in line with the Council's Medium Term Financial Plan (MTFP) for 2012/13 – 2014/15. The total amount of additional income estimated to be generated from the proposed increases (assuming no impact on volumes) is approx. £280k for the General Fund and £37k for the Dedicated Schools Budget DSB (as analysed in the following table).



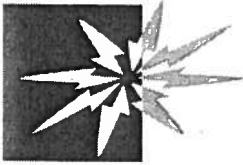
Business Unit	Increased Income £
Potential Increased Income	
Adults	146,000
Legal Services	9,000
Leisure	2,300
Culture	18,100
Planning & Regeneration	23,100
Single Frontline	78,800
Property Services	1,800
TOTAL INCREASED INCOME - General Fund	279,100
CYP Services	37,100
TOTAL INCOME- DSB	37,100

If the proposals are accepted on the non increase of fees and/or charges then the Council would forgo approximately **£76k** of additional income, again assuming the current volumes remained the same, as set out below.

	Forgone Income £
Libraries - DVD budget	6,000
Housing	2,000
Children's Centres (DSG Income)	68,200
TOTAL FORGONE INCOME	76,200

7. Head of Legal Services and Legal Implications

- 7.1 Certain fees for services provided by local authorities are set out in the parent legislation or in regulations made under the parent legislation. In such instances the Council has no discretion as to the level of the charge.
- 7.2 In addition, section 93 Local Government Act 2003 permits local authorities to charge for discretionary services, provided that there is no alternative power allowing the local authority to charge and provided that there is nothing in the parent legislation preventing the local authority from charging for these discretionary services. Where the Council charges for such discretionary services, it has a duty to secure that, taking one financial year with another, the income from charges does not exceed the costs of provision. Section 93 permits the Council to charge only some persons for providing the discretionary service and also



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permits the Council to charge different persons different amounts for providing a service.

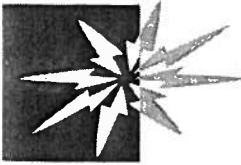
- 7.3 In reviewing fees and charges, services need to demonstrate that they have had due regard to the overarching Public Sector Equality Duty as set out in the Equality Act 2010. Services need to demonstrate that they have considered whether an equalities impact assessment should be carried out and undertake such an assessment if found to be necessary.
- 7.4 Certain fees may not be set by the Cabinet. Regulation 2 (6) of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 provides that decisions on certain approvals, consents permits and licenses (for example premises licences; licenses for street trading) cannot be made by the Executive (Cabinet). Likewise, charges for such approvals, consents permits and licenses may not be made by the Cabinet. These fees will be set by the Regulatory Committee.

8. Equalities and Community Cohesion Comments

- 8.1 A meeting was held to determine which of the fees and charges will be subject to a screening or a full equality impact assessment. It was agreed that Managers will do an initial assessment of the charges within their services to determine if they have a high, medium or low impact. A spreadsheet has been produced to detail the results of these initial assessments which will be available on request. The spreadsheet will be used as evidence of our test of relevance to reflect this decision.
- 8.2 All of the fees and charges that have been identified as low impact will require screening. Where a fee or charge has been increased as a result of a statutory requirement, we have decided not to do a full equality impact assessment, as the authority has no control over the increase. The charges and fees identified as medium will be subject to either a screening or full equality impact assessment, dependant upon whether the impact is disproportionate on service users or on any one of the protected groups. All fees and charges that have been assessed as having a high impact will be subject to a full equality impact assessment.

9. Use of Appendices

- Appendix 1 Adult Learning
- Appendix 2 Libraries
- Appendix 3 Parks
- Appendix 4 Planning, Regeneration & Economy
- Appendix 5 Traffic Management
- Appendix 6 Regulatory Services
- Appendix 7 Property Services
- Appendix 8 Corporate Resources - Registrars



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Appendix 9 Adults

Appendix 10 Children's and Young People - Music Services &
Pendarren House

10. Local Government (Access to Information) Act 1985

Existing schedules of fees and charges