



**Haringey** Council

Agenda Item

**General Purposes Committee**

**On 21 December 2010**

Report title: **Review of fees and charges - Licences**

Report of: **Director of Corporate Resources**

**Ward(s) affected:** All

**Report for:** Decision

**1. Purpose**

1.1. To recommend increases to the Council's licensing fees and charges, as per the attached appendices, with effect from 4th January 2011.

**2. Recommendations**

1.2. To increase the Council's licensing fees and charges, as per the attached appendices, with effect from 4th January 2011.

**Report authorised by: Kevin Bartle – Lead Finance Officer**

**Contact officer: Peter Hayday, Interim Head of Corporate Finance  
Telephone 020 8489 3743**

### **3. Executive Summary**

3.1 A Council-wide review of all fees and charges has been undertaken with a view to maximising the Council's income at a time when the Council's finances are under extreme pressure.

3.2 The increase of fees in respect of the matters set out at Appendix 2 is delegated to the General Purposes committee and the attached appendix details out increases that are proposed.

### **4. Reasons for any change in policy or for new policy development (if applicable)**

4.1 None.

### **5. Use of appendices**

**Appendix 1:** External Income Policy

**Appendix 2:** Licence fees proposals

### **6. Local Government (Access to Information) Act 1985**

**The following background papers were used in the preparation of this report:**

## **7. Background**

7.1 The Council faces a significant shortfall in its funding requirements over the next three years as reported to Cabinet in the draft Medium Term Financial Plan.

7.2 In response to the projected funding shortfall the Council has established the Haringey Efficiency and Savings Programme (HESP) which is exploring opportunities for maximising revenue streams, reducing unit costs and prioritising service provision over the medium term (three year) business planning period. The various work programmes are overseen by an Efficiency Board chaired by the Leader. A wide range of options is being examined through seven workstreams:

- Intelligent Budgeting
- Smart Working
- Strategic Commissioning and Procurement

- Smarter People Management
- Total Haringey/Self Sufficient Communities
- Support Functions/Customer Contact
- Revenue Generation

7.3 Under the Revenue Generation stream a full review of the Council's fees and charges has been undertaken and reported to Cabinet for approval on 21<sup>st</sup> December 2010. The approval, however, to increase licence fees is delegated to the General Purposes Committee, and the proposals are set out in this report for these fees.

7.4 Current fees and charges are either set by statute (statutory charges) or are at the discretion of the local authority (discretionary charges). This difference is obviously significant, not just in the flexibility available to the Council in linking the charge to the aims of the service, but also in the way it links to the Council's priorities and objectives

7.5 For this reason there has been extensive lobbying of the Government from local authorities to give more freedoms and flexibilities at a local level over charging policy. There is clear evidence in various announcements from the Spending Review that the Government is planning on giving greater autonomy to local authorities in this respect; although it may take some time before the level of local discretion over charges totally meets the aspirations of the Council.

7.6 An 'External Income Policy' which officers have been using as a set of working principles in reviewing fees and charges, has been taken to Cabinet for approval and is attached in Appendix 1 for information. The principles in this document point to a number of other key factors that need to be taken into consideration when reviewing charges. These include:

- Service demand and the extent to which charges are designed to control demand as opposed to maximising income. Some services currently provided by the Council are also provided through the private sector, such as Building Control, and therefore the level of charge needs to reflect the aim to cover the cost of providing the service whilst also being cognisant of market pricing policies and the desire to maintain a level of in-house expertise necessary to deal with dangerous structures etc.
- Ability to pay and the extent to which some form of means testing is appropriate. The Council already provides various forms of discounts to residents, the elderly, the unemployed etc. However, this tends to be along very traditional lines and differential charging in a much wider sense needs to be examined; however this also is linked to the level of local discretion that is currently available and the over-arching requirement to demonstrate fairness.
- Opportunities to introduce new fees and charges: again this is linked to the level of legal discretion available to the Council. There has been much discussion in local government about tailoring services and the associated

charges to customer demands – the introduction of two-tier services with a basic service with a lower charge than a service available with a higher specification. For example in Commercial Waste where some premises may only require a fortnightly collection and others a daily collection. Although any charges associated with waste collection need to be considered in the context of the risks associated with fly-tipping, anti-social behaviour, environmental health risks etc.

7.7 Whilst there are specific recommendations detailed below, to increase charges from January 2011, all charges will need to be reviewed on an on-going basis to ensure that:

- The key principle of full cost recovery is being achieved;
- Any changes in the statutory framework giving greater power to local authorities to determine their own fee levels is reflected in the charging structure;

## **8. Licence Fees**

8.1 The attached Appendix 2 details the proposed increases in the licences fees. The fees are recommended to be increased by 5%. The increase will come into effect from 4<sup>th</sup> January 2011.

## **9. Financial Implications**

9.1 The increased fees will generate an estimated additional income of £4k.

## **10. Recommendations**

10.1 To increase the Council's licensing fees and charges, as per the attached appendices, with effect from 4th January 2011.

## **11. Head of Legal Services comments**

11.1 Some fees for services provided by local authorities are set out in the parent legislation or regulations made under the parent legislation. In such instances the Council has no option what to charge. Section 93 Local Government Act 2003 allows local authorities to charge for discretionary services, provided there is no alternative power allowing local authorities to charge and provided there is nothing in the parent legislation preventing local authorities from charging for these discretionary services. Where the local authority provide such discretionary services the local authority has a duty to secure, that taking one financial year with another, the income from charges under the subsection does not exceed the costs of the provision. Section 93 allows local authorities to charge only some persons for providing these discretionary services and also allows local authorities to charge different persons different amounts for providing a service.

- 11.2 In reviewing charges and fees services should be able to demonstrate that they have taken into account the overarching Public Sector Equality Duty due to take effect in April 2011 and the existing statutory public sector duties concerning race, sex and disability. Services should also be able to demonstrate that they have considered whether an equalities impact assessment should be carried out regarding the changes to fees and charges and have carried out such an assessment if found to be necessary.
- 11.3 Some fees and charges 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 licences (e.g. licensing/planning/consent under the Highways Act 1980) may not be made by the Executive (Cabinet). Likewise charges for such approvals, consents, permits and licences may not be made by the Cabinet. Attached to this report at Appendix 2 are some fees which may not be set by the Executive (Cabinet). These fees are set by the General Purposes Committee. In addition to the fees set out at Appendix 2 there are other fees relating to gambling and licensing which also may not be set by Cabinet and these fees are set by the Licensing Committee. However these licensing and gambling fees are already at the statutory maximum and there is no proposed to increase these licensing and gambling fees in any event.