



Haringey Council

Report for:	Cabinet	Item Number:	
Title:	Review of Fees and Charges 2015-16		
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Ward(s) affected:	ALL	Report for Key/Non Key Decisions:	KEY

1. Describe the issue under consideration

- 1.1. The Council's income policy requires an annual review of the level of the Fees and Charges levied upon service users with a view to ensuring that income is maximised commensurate with the full recovery of costs.
- 1.2. This report considers the relevant factors affecting the review of fees and charges, identifies those services where an increase is being proposed and seeks:
 - Approval to increase the fee or charge rate to those services where an increase is proposed, subject to Equalities Impact Assessments being undertaken, as set out in paragraph 10; and,
 - Agreement to where an alternative approach is being proposed.

2. Cabinet Member introduction from Councillor Jason Arthur, Cabinet Member for Resources and Culture

- 2.1. It is important that, as part of our on-going financial planning, we comply with the Council's policy to annually review our fees and charges taking account of issues such as the general economic climate and the Council's overall financial position.



2.2. Taking all relevant factors into account I believe that a general increase in fees and charges of 2.3% as proposed in this report is appropriate and that, for those services where an alternative approach has been proposed, these are also reasonable. I therefore commend this report to the Cabinet.

3. Recommendations

3.1. The Cabinet is asked to approve:

- (i) a general increase of 2.3% be applied to Fees and Charges levied by the Council with effect from 1 April 2015;
- (ii) the approach for those services set out in this report where a different rate other than the general increase is proposed;
- (iii) that final decisions on (i) and (ii) above are delegated to the respective Assistant Directors in respect of their services following completion and consideration of equality impact assessments where this is appropriate; and,
- (iv) that the estimated additional income arising from the increases in Fees and Charges as set out in this report amounting to c£240k be reflected within the Council's 2015-16 budget and Medium Term Financial Strategy documents.

4. Alternative options considered

4.1. This report proposes a range of alternative approaches dependent on particular services and relevant factors. As such a range of alternative options ranging from no increase to differentiated rates of inflationary increases have been considered and reflected in this report.

5. Background information

5.1. At its meeting of 21 December 2010 the Cabinet resolved, amongst other things, to adopt an updated policy in relation to external income. This confirmed a number of relevant issues including that:

- Service managers should review the level of fees and charges annually as part of the financial and business planning process;
- Charges should generally increase by RPI as a minimum and also seek to maximise allowable income;
- A full list of proposed charges should be presented to Cabinet by the end of March each year.

5.2. This report meets the requirements of the Council's external income policy for the 2015-16 financial year and as such contains details of the current and proposed levels of fees and charges to take effect as set out during that year.



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- 5.3. The government's inflationary target remains at 2%. Annual average inflation during 2012 and 2013 was 3.22% and 3.05% respectively. During 2014 annual inflation (i.e. the 12 month rolling level of inflation) has generally fallen still further as indicated in Table 1 below.

Table 1 – Annual RPI Inflation Jan. to Dec. 2014

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2.8%	2.7%	2.5%	2.5%	2.4%	2.6%	2.5%	2.4%	2.3%	2.3%	2.0%	1.6%

Average Jan to Dec 2014 = 2.38%

- 5.4. A comparison of independent (i.e. non-governmental) forecast of inflation in August 2014 suggested average inflation of 2.6% in 2014 and 3.3% in 2015 suggesting a return to higher average inflation over the course of 2015. The current impact of suppressed oil prices is a significant component in determining short term inflationary movement.
- 5.5. Given the inflationary risks that still remain, it is proposed to apply a general level of increase in Fees and Charges of 2.3% which is consistent with the average annual position, and reflects the current downward trend in RPI post the August analysis but also tends to disregard the recent impact of oil price falls (which have fallen steeply since June 2014) on the indices post October 2014.

6. Service Specific information

- 6.1. The Appendices 1 – 12 detail all of the fees and charges proposed for increase; showing the 2014-15 rate, the proposed 2015-16 rate and the inflationary uplift applied.
- 6.2. These have been prepared on the basis of a 2.3% increase, either by individual charge or as an average across the service as a whole. The next section 'Comments of the Chief Financial (Section 151) Officer and Financial Implications' sets out those areas where exceptions to the general increase have been considered, or to reflect a previously agreed approach, or are subject to statutory provisions.

7. Exceptions

- 7.1. Within certain services there are a small number of fees and charges where any increase is determined by the Government and cannot be changed by law e.g. the cost of marriage and civil partnership ceremonies. These have been annotated within the relevant appendices.
- 7.2. A number of fees and charges cannot be set by the Cabinet. Regulation 2(6) of the Local Authorities (Functions and responsibilities)(England) Regulations 2000 provides that charges for certain approvals, consents, permits and licenses (e.g. licensing/planning/consent under the highways Act 1980) may not be made by the



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Executive (Cabinet). These fees are set by the Council's Regulatory Committee and a separate report will be prepared for that committee before the start of the financial year.

7.3 Libraries & Culture

7.3.1 The service are proposing an overall average increase of 4.9%. The proposed changes reflect the service's intent to revise reservations service charges in response to customer feedback, particularly for items already in stock; to limit 5p increases for reasons of cash handling and that charges were last revised in 2012.

7.4 Waste

7.4.1 The service are proposing an average 4% increase across all services due to escalating disposal charges and to break-even on the provision of commercial services. A few charges have been limited to contractual RPIX inflation increase only to encourage recycling over refuse.

7.5 Parks Events

7.5.1 No increase is proposed for Parks Events as a major redesign of fees and charges came into effect in January 2014. These were a significant uplift in many cases for commercial rates and a reduction for community events. Therefore the proposal for 2015 is to hold the current fees.

7.6 Adult Learning

7.6.1 All Adult Skills Budget (ASB) courses are free to the unemployed however, non-eligible learners are only funded at 50% with the funders assumption is that the remaining 50% is collected as fees by the provider. Whilst the exact fee will vary according to the accreditation approved by the funder the proposals is to charge the 50%. The proposal around ESOL courses is to increase the charge from £1 to £2 per hour with some £1 concessions. This is dramatically lower than all local providers. Literacy and Maths courses remain free to everyone.

7.7 Traffic Management

7.7.1 Overall charges are increasing by an average of 5% with the majority of the fee changes directly associated with savings proposals presented to Members in December and which form part of the overall medium term financial plan.

7.8 Registrars



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7.8.1 The Registrars service is proposing to make a number of changes to their charges either to align to those set statutorily or to better fit with the overall market as they are in competition with other boroughs / providers. This will see some prices increased above inflation, some not amended and some reduced with an average 3.9% being proposed. No overall increase to the budgeted income is proposed as the service are currently struggling to achieve existing targets. The proposals attached aim, as a minimum, to enable current income to be achieved whilst providing a comprehensive service.

7.9 Planning & Building Control

7.9.1 The Planning directorate is updating a number of fees and charges across the Pre-application planning advice service and Building Control services, to more effectively recover the costs of running the service. Some new services have been proposed, principally a paid householder pre-application service and a Quality Review Panel. The service will retain the provision of basic free advice made by way of written enquiries. This would generally be by signposting them to information, encouraging them to submit applications for a Certificate of Lawful Development or providing retrospective advice where planning enforcement action is proposed. The Customer Service Centre will provide a telephone service for general enquiries and the Council's website will provide basic general pre-application advice with links to off site national planning resources such as the interactive house on the Planning Portal. The proposed changes were agreed by Regulatory Committee on 15 January 2015, and further details of the broader policy change are to be included in a separate report to March meeting of this Committee.

8. Comments of the Chief Finance Officer and financial implications

- 8.1. The estimated financial effect arising from the implementation of the 2015-16 Fees and Charges rates, as set out in this report is an increase in income budgets amounting to £243k.
- 8.2. There are a number of areas where the service is advising that it has been unable to meet its current budgeted income level. For these areas there are two options available; either:
- Fee levels could be increased without a commensurate increase in the level of the income budget; this would seem to be justified if the effect on **demand** from a fee increase is considered to be unaffected. In this case a fee increase could be applied which might have the effect of making the current budget level more achievable; or
 - If the level of fees is discouraging demand then an increase in fees would tend to worsen the achievement of income. In this case an increase in fees would appear to be counterproductive.
- In either case a decision to not increase the service's income target would be neutral on the overall budget position.



9. Comments of the Assistant Director of Corporate Governance and legal implications

- 9.1. 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.
- 9.2. 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 permits the Council to charge different persons different amounts for providing a service.
- 9.3. 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.
- 9.4. 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.

10. Equalities and Community Cohesion Comments

- 10.1. It has been agreed that Managers will do an initial assessment of the charges within their services to determine if they have a high, medium or low equalities impact.
- 10.2. 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.

11. Head of Procurement Comments



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Not applicable

12. Policy Implication

12.1. The Council's income policy requires that an annual review takes place and this report together and, where relevant, The Regulatory Committee report, meets that policy obligation.

13. Reasons for Decision

13.1. It is a requirement to review Fees and Charges annually. The financial position that the Council finds itself in supports the view that levels of fees and charges should be maximised taking into account all relevant factors including the effect on service users and any consequent demand for services.

14. Use of Appendices

- Appendix 1 Children's Centres
- Appendix 2 Libraries & Culture
- Appendix 3 Neighbourhood Action – Waste Collection
- Appendix 4 Parks
- Appendix 5 Parks Events
- Appendix 6 Adult Learning (HALs)
- Appendix 7 Asset Management
- Appendix 8 Regulatory Services (excl. Licenses etc. set by Reg. Committee)
- Appendix 9 Traffic Management
- Appendix 10 Adult Services
- Appendix 11 Registrars
- Appendix 12 Building Control & Planning

15. Local Government (Access to Information) Act 1985