

Report for: Regulatory Committee 15th February 2016

Item number:

Title: Review of Fees and Charges 2016-17 - Licences

Report authorised by: Tracie Evans – Chief Operating Officer

Lead Officer: Neville Murton – Lead Finance Officer (020 8489 3176)

Ward(s) affected: ALL

**Report for Key/
Non Key Decision:** 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. The Cabinet have considered changes to a number of Fees and Charges at their meeting held on 9 February 2016 however, a small number of items (relating to certain approvals, consents, permits and licenses) cannot be made by the Executive and are, therefore, reserved for consideration and decision by the Council's Regulatory Committee.

2. Cabinet Member Introduction

- 2.1. It is important that, as part of our on-going financial planning, we comply with the Council's policy to review annually 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 the increases in fees and charges proposed in this report are appropriate.

3. Recommendations

- 3.1. To approve the increases to the Council's licensing fees and charges, as set out in the attached appendix, with effect from 1st April 2016.

4. Reason for Decision

- 4.1. It is a requirement of the Council's income policy to review fees and charges annually. The financial position of the Council 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.

5. Alternative options considered

- 5.1.** This report summarises the conclusions after consideration of 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 increases have been considered and reflected in this report.

6. Background information

- 6.1.** The Regulatory Committee have responsibility for the determination of certain specified fees and charges.
- 6.2.** The Council's policy in relation to varying external income rates reflects that:
- Service managers should review the level of fees and charges annually as part of the financial and business planning process; and
 - Charges should generally increase by RPI as a minimum and also seek to maximise allowable income.
- 6.3.** CIPFA have recently published guidance on income generation activities - 'A Practical Guide for Local Authorities on Income Generation 2015' which provides useful guidance and best practice in setting fees & charges. This publication has been used by officers to inform the proposed approach set out in this report.
- 6.4.** The setting of fees and charges, along with raising essential financial resources, can contribute to meeting the Council's objectives. Through the pricing mechanism and wider market forces, outcomes can be achieved and services can be promoted through variable charging policies and proactive use of fees to promote or dissuade certain behaviours. In the main, fees and charges should be set at a level where the full cost of provision is recovered through the price structure. However in many circumstances those charges are reduced through subsidy to meet broader Council priorities.
- 6.5.** This report meets the requirements of the Council's external income policy for the 2016-17 financial year and as such contains details of the current and proposed levels of fees and charges to take effect as set out. Appendix 1 contains the full details of current licensing fees and charges, the proposed charge and corresponding increases.
- 6.6.** For special treatment premises there has been a re-balancing between class 3 and class 4 premises to reflect market conditions. For other fees these have either been maintained (typically where the fee is already at the statutory maximum or has been set by statute) or they have been increased by the general (RPI) increase of 1% identified below. Street Trading fees have been maintained at current levels pending a further review during 2016.

7. Contribution to strategic outcomes

- 7.1. The Council also has a set of strategic and policy objectives, and fees and charges should be set in accordance with such objectives.
- 7.2. The principles underpinning the Council's external income policy are that all fees and charges are reviewed annually and income is maximised within current service and policy objectives. The competitiveness of the market in which the service operates and the effect of price on demand and overall income yield should be considered. Some services are restricted to cost recovery.
- 7.3. As a minimum, fees and charges should be increased by a minimum of RPI (currently averaging 1%) and which is the general proposal being considered by Cabinet at their meeting on 9th February 2016. However, some charges remain unchanged from 2015-16 as these charges are already set to the statutory maximum.
- 7.4. The government's inflationary target remains at 2%. Annual average inflation during 2013 and 2014 was 3.05% and 2.37% respectively. During 2015 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. 2015

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
1.1%	1.0%	0.9%	0.9%	1.0%	1.0%	1.0%	1.1%	0.8%	0.7%	1.1%

Average Jan to Nov 2015 = 1.0%

- 7.5. A comparison of independent (i.e. non-governmental) forecast of inflation in August 2015 suggested average inflation of 2.8% in 2016 suggesting a return to higher average inflation over the course of 2016. However, the current impact of suppressed oil prices is a significant component in determining short term inflationary movement and the latter part of 2015 has not seen inflation rises as predicted and the 2.8% forecast may prove to be optimistic.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

- 8.1. The estimated financial effect arising from the implementation of the 2016-17 fees and charges rates as set out in this report (assuming no impact on volumes) is an increase in income of approximately £2k.
- 8.2. The Assistant Director of Corporate Governance has been consulted on this report.
- 8.3. Certain fees for services provided by local authorities are prescribed 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.

- 8.4.** There is a further range of services where specific legislative provisions allow authorities to decide whether to charge and how much.
- 8.5.** 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.
- 8.6.** In instances where the section 93 Local Government Act 2003 charging powers for discretionary services do not apply, the Council may be able to rely upon charging powers under section 1 of the Localism Act 2011 (general power of competence). Similarly, under this provision, the Council may not recover more than the cost of providing that service. Recovery is assessed taking one year with another.
- 8.7.** 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.
- 8.8.** Certain fees may not be set by the Cabinet. 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). These fees will be set by the Regulatory Committee and are the subject of this report.

Equalities Comments

- 8.9.** The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:
- tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
 - advance equality of opportunity between people who share those protected characteristics and people who do not;
 - foster good relations between people who share those characteristics and people who do not.
- 8.10.** The proposals within this report are within the RPI 1% and an EQIA has been prepared. These changes will have a low impact overall and are not expected to have a disproportionate impact on any protected groups.

9. Use of Appendices

Appendix 1

Schedule of Licensing Fees 2016-17

Appendix A

Links to Equalities Screening Tools & Impact Assessments
(EqIA): (Appendix A11)

<http://www.haringey.gov.uk/local-democracy/about-council/equalities/equality-impact-assessments/equality-impact-assessments-2015-16>