

**Report for:** Cabinet 13 February 2018

**Title:** Review of Fees and Charges 2018-19

**Report authorised by:** Jon Warlow Interim Deputy Chief Finance Officer

**Lead Officer:** Frances Palopoli, Head of Finance Operations

**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. This report sets out the Fees & Charges that are proposed to be applied to services for the year 2018/19. 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 in line with inflation.
  - Member's agreement where an alternative approach is being proposed.

## **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 annually review our fees and charges taking account of issues such as the general economic climate, the Council's overall financial position and delivery of the objectives of the Corporate Plan
- 2.2. Taking all relevant factors into account I believe that the increases in fees and charges proposed in this report are appropriate. I therefore commend this report to the Cabinet.

## **3. Recommendations**

- 3.1. The Cabinet is asked:
  - a) To **agree** the proposed fees and charges to be levied by the Council with effect from 1 April 2018, unless otherwise stated, and as detailed in Section 8 and related appendices taking into account the findings of equalities assessments as set out in section 8 of the report and available in full at Appendix A;

- b) To **note** the proposed changes in fees and charges arising from previous Cabinet or Cabinet Member decisions as set out in Section 9 and related appendices
- c) To **note** that the Council's MTFs assumes that the changes to Fees & Charges set out in this report are agreed.

#### **4. Reasons for Decision**

- 4.1. It is a requirement 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 Council's External Income 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 budget setting process;
  - Charges should generally increase by the Consumer Price Index (CPI) 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.
- 6.2. 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.
- 6.3. This report meets the requirements of the Council's external income policy for the 2018-19 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.

#### **7. Review of Fees & Charges**

- 7.1. Some fees and charges are set by statute and cannot be changed, such as the amount charged for a marriage or civil partnership ceremony or for a Birth

Certificate. Many fees and charges, for example residential care or Building Control, can only recover relevant costs. The level of other fees and charges are at the discretion of the Council.

- 7.2. The Council also has a set of strategic and policy objectives, and fees and charges should be set in accordance with such objectives.
- 7.3. 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.
- 7.4. The MTFs assumes that fees and charges increase by a minimum of 2.4% unless there is good reason not to, which should be explained. This represents the underlying CPI rate when the annual service review of fees & charges commenced.
- 7.5. In some cases, where a 2.4% increase would give a very small cost increase and/or result in a charging rate that would be difficult to administer e.g. a resultant 36p charge might require disproportionate effort of maintaining change floats etc. Services have been asked to take account of factors such as the last time a rise was imposed (i.e. an assessment of the compounded inflationary rate) and make appropriate proposals; the proposed rate can be seen in the appendices.
- 7.6. 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 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.

## **8. Service Specific information**

- 8.1. The Appendices I – XII detail the services' fees and charges, showing the 2017-18 rate and the proposed 2018-19 rate with the uplift, if any, applied. Each service proposal is also summarised below.

### **Adult Services (See Appendix I)**

- 8.2. Under Section 14 of the Care Act 2014, the Council has the power to charge for meeting care and support needs for adults and carers. The charges are means tested and take into account both income and assets possessed by the individual. This may or may not include an individual's residential home depending on whether the individual is receiving residential or community care. Charges are limited to cost recovery only.
- 8.3. Increases are generally in line with CPI inflation but due to rounding to the nearest 5 or 10 pence for smaller fees/charges, some increases may be higher.
- 8.4. The principle of full cost recovery for all care and support services is set out in the Council's Fairer Contributions Policy and should be applied to all services. The

increased charge proposed for sessional day care at the Haynes Day Centre would enable the service to enact this principle and also support a consistent and equitable approach to charging across all services. As noted above, all charges are means tested and take into account both the income and assets of an individual user through a financial assessment which determines their ability to pay. The increase will take effect from 1<sup>st</sup> April 2018 for new clients. An equalities impact assessment has been completed which confirms that the proposal will not impact disproportionately on any of the protected groups.

### **Traffic Management (Operations) (See Appendix II)**

- 8.5. These are charges relating to in the main borough wide parking permits, parking suspensions, highways licences and Traffic management orders. The parking permit charges are made in accordance with the provisions of the Road Traffic Regulation Act 1984. The Secretary of State recommends that authorities set charges at levels which are consistent with the aims of the authority's transport strategy, including its road safety and traffic management strategies. The highway licences charges are set in accordance of the provisions in the Highways Act. Cabinet agreed a number of changes to parking permits as part of last year's review. Those changes are being implemented hence, no further increases are proposed to those permits as part of this year's review. Those permits are identified in Appendix II.
- 8.6. The service is proposing to increase charges for parking bay suspensions (daily charges) by 44.5%, which brings Haringey in line with neighbouring boroughs. The service is proposing two new charges related to parking bay suspensions. The first is to introduce a cancellation fee and the second is a charge for an additional site visit. This is to bring the Council in line with neighbouring boroughs, who have already adopted similar charges. An equalities impact assessment (EqIA) screening tool has identified that the proposed new fees do not disproportionately impact on groups with protected characteristics.

### **Libraries (See Appendix IIIa)**

- 8.7. The Library Charges (England and Wales) Regulations 1991 stipulate the items and services that may be charged for. Charges are at the discretion of the authority, and the authority may make different provision for different cases including different provision in relation to different persons, circumstances or localities. There can be no charge for the loan of written material (section 8 of the Public Libraries and Museums Act 1964).
- 8.8. Library fees and charges will increase by an average of 2.2%. Room hire charges have been reviewed to achieve a more consistent approach to charging across Council sites and to align with neighbouring boroughs. An average increase of 2% is proposed for room hire for commercial use and an average increase of 2.17% is proposed for room hire for community use. However, a 10% discount will be offered to hirers booking for 8 weeks or more. The service is proposing to reduce the charge for residents aged over 60 to reserve items already in stock (014.3% change).

- 8.9. An equalities impact assessment (EqIA) screening tool has identified that the proposals will not disproportionately impact groups with protected characteristics.

### **Culture (See Appendix IIIb)**

- 8.10. Charges for community and corporate events have been either increased in line with inflation or where above inflation to bring them in line with charges for similar venues in the borough.
- 8.11. All other services and access to the museum remain free. The service will continue to collect feedback from service users and monitor any barriers to use.
- 8.12. An equalities impact assessment (EqIA) has been completed for the proposed changes to fees in Cultural Services which has identified that the proposals will not disproportionately impact groups with protected characteristics.

### **Garage Rents (See Appendix IV)**

- 8.13. An increase in Garage rents was agreed in principle by Cabinet in December 2014 as part of the Medium Term Financial Strategy. Prior to this, there had been no increase in garage rents for over eighteen years and it was agreed that in the future these were reviewed annually alongside all other fees and charges.
- 8.14. The December 2014 decision was to move to applying market rates for all garages, with the initial increases for 2016/17 to provide valuable market data to the Council on the demand and price elasticity of garages across the different areas of the borough and inform future pricing decisions to maximise income. The service is proposing an average 2.6% fee increase for 2018/19. This income contributes to the Housing Revenue Account (HRA) rather than the General Fund (GF)
- 8.15. An equalities impact assessment (EqIA) screening tool has been completed in relation to the proposed changes, indicating that there no negative impacts arise for service users. To ensure that the proposed changes do not impact disproportionately on vulnerable customers a specific concessionary rate is in place for elderly and disabled Haringey residents.

### **Corporate Landlord (Asset Management) (See Appendix V)**

- 8.16. Most rents for commercial properties are set through commercial negotiations with the tenant as part of the initial lease and subsequent rent reviews. The rents are set using nationally agreed RICS formulae taking into account variables such as location, size and condition of the property. The rent payable at the time of entering into a lease is very much dependent on market forces driving best consideration and once agreed is usually fixed for periods of up to 5 years before review. Commercial rent amounts are therefore not included for approval in this report.
- 8.17. All other charges such as room hire and staff car parking have increased by 2.4%, which is in line with the rate of inflation.
- 8.18. Concessions will continue to be offered for room hire for charities and partners and for blue badge holders and those with temporary medical conditions for parking charges. An equalities screening tool has identified no adverse impact and therefore a full EqIA is not required.

### **Court Costs (See Appendix VI)**

- 8.19. Legislation under the Council Tax (Administration and Enforcement) Regulations 1992 and the Non-Domestic Rating (Collection and Enforcement) Regulations 1989 defines that the cost of summons and a liability order is reasonably incurred. The cost of summons and liability orders is reviewed annually to ensure it remains fair and reasonable. Following a challenge in the High Court, the costs of Council Tax summons in Haringey were reviewed by Grant Thornton and the recommendations from that review were built into the current year charges.
- 8.20. The current charges are broadly in line with other London Boroughs and it would be prudent to keep them at the same level for 2018/19.
- 8.21. The Authority's court costs are audited and is deemed to reflect the true cost in pursuing non payers and defaulters.

### **Waste (See Appendix VII)**

- 8.22. Fees are set in consultation with Veolia who manage the joint partnership for commercial waste and the proposed increase is primarily based on market information. The commercial market is very competitive and it is not proposed that these charges are increased for 2018/19.
- 8.23. There were small inflationary increases for recycling bins together with a new charge for bulk recycling bin hire in the last financial year. Further increases are not being proposed at present.
- 8.24. For fixed penalty notices, the charges are set nationally and no increase applies.

### **Parks Services (See Appendix VIII a)**

- 8.25. The allotment service is currently under review as part of the Priority 3 More Than Parks Project in conjunction with the Allotment Forum. Part of the proposal includes rent and water rate increases. The allotment service is proposing to increase allotment rents by 75%. As part of its review, the service will also appoint a dedicated allotment officer. The Council has consulted on the proposed changes with the Allotment Forum Steering Group, who have expressed support for the proposals. The proposal will provide a more secure future for the management of allotments in Haringey.
- 8.26. The fees charged for use of sports pitches and organised exercise/personal training in parks has mostly been increased in line with inflation. Fees have been rounded up where small amounts are involved and this may sometimes result in above inflation increases.
- 8.27. An equalities impact assessment (EqIA) screening tool has been completed for the proposed allotment fee increases which indicated that a full EqIA was not required.

### **Parks Events (See Appendix VIII b)**

- 8.28. The Council operates in a competitive market, particularly for major events that take place in Finsbury Park. Prices were last reviewed in January 2014 and kept

constant in 2015/16 and increased by inflation subsequently. It is proposed that fees for all events in parks are also increased by inflation for 18/19.

- 8.29. An equalities impact assessment (EqIA) screening tool has been completed in relation to the proposed fee increases for parks events. The proposal relates to fees which are covered by the Outdoor Events Policy. The existing policy has been drafted to ensure that there is no adverse impact on any of the protected groups. Community groups connected to parks are offered free access and there is a small grants scheme available for other community groups. The changes have therefore been assessed as having a minimal impact and are not anticipated to impact disproportionately on any of the protected groups.

### **Registrars (See Appendix IX)**

- 8.30. Most fees in the Registrar's office are set by the General Register Office, and were last revised in October 2017 – these cannot be changed by the Council. The Council can however set fees for discretionary services. The Registrars service is proposing to make a number of changes to their charges to better recover costs in light of the overall market, as they are in competition with other boroughs / providers, and to stimulate demand. The proposals attached aim, as a minimum, to enable current income to be achieved whilst providing a comprehensive service.
- 8.31. The Nationality checking Service (NCS) will be stopped nationally from October 2018 and this service currently generates a considerable amount of income for Registrars. The Service has already begun to consider options for how they will mitigate this loss of income. For 2018/19, the Council is proposing to increase fees for this service above inflation.
- 8.32. The service is proposing to increase some fees by inflation and to also reflect cost recovery and others to bring charges in line with neighbouring boroughs. Some fees will be reduced to increase access to services. The service has a number of fees to cover options not publicised to customer, such as a customer asking to get married in the middle of the night. These fees have to date never been used, but are in existence if a query arises from the public. The proposal is to significantly reduce some of these fees to reflect the true cost of handling extraordinary events. Where fee increases are above the rate of RPI inflation, this has been proposed as a result of benchmarking against neighbouring boroughs, identifying that Haringey venues are below the market rate.
- 8.33. Statutory fees, set in accordance with the Marriage and Registration Acts, apply to the following services: birth, deaths and still birth registrations; entering a notice of marriage in a marriage notice book; attending a marriage at a register office; signing of the civil partnership schedule and giving notice to a registration authority under the Civil Partnership (Registration Abroad and Certificates) Order 2005, article 17(2) (certificate of no impediment) and conversion of a Civil Partnership to Marriage (signing only).
- 8.34. **Non statutory fees may be set by the local authority as follows:** attendance of a Registrar (or deputy registrar) and Superintendent Registrar (or Deputy Superintendent Registrar) at an approved premises for a marriage ceremony; attendance of a civil partnership registrar at an approved premises for a civil partnership registration; non-refundable booking fee for a wedding or civil partnership ceremony; attendance of a Superintendent Registrar or deputy

Superintendent Registrar at a private Citizenship ceremony; application fee for the Nationality Checking Service.

- 8.35. **Marriage/civil partnership ceremonies:** The Marriage Act 1949 (as amended) and the Civil Partnership Act 2004 make provision for local authorities to approve premises for the purpose of marriage and civil partnership ceremonies. The Marriage and Civil Partnership (Approved Premises) Regulations 2005 enables the Council to determine a fee to cover the costs of providing for the prescribed personnel to attend the formalities; such fee must reasonably represent the costs of provision. Under the regulations it is permissible for the authority to set different fees for different cases or circumstances.
- 8.36. **Citizenship ceremonies:** The British Nationality (General) Regulations 2003 made under the British Nationality Act 1981 as amended, require local authorities to make available or make arrangements for premises at which citizenship ceremonies may be conducted. The Council must comply with this requirement although the Secretary of State may make a payment to a local authority for carrying out this duty. However additionally, under schedule 1 of the Nationality, Immigration and Asylum Act 2002 the Council may make a charge for the provision of citizenship ceremonies.
- 8.37. **Nationality Checking Service and Immigration Advice Service:** provision of these services are authorised by section 1 of the Localism Act 2011 (general power of competence). Section 93(1) of the Local Government Act 2003 enables the Council to charge for the provision of discretionary services provided that the income from charges made for the service does not exceed the costs of provision.
- 8.38. Fee changes have been subject to the equalities screening tool which has identified no adverse impact and therefore a full EqIA is not required

### **Regulatory Services (See Appendix X)**

- 8.39. These charges relate to Pest Control, Environmental Health Mortuary, Environmental permits and Local Authority Pollution Prevention Control (LAPPC) mobile plant charges. Fees are permissible by Acts of parliament. Environmental Permit fees are set by statute.
- 8.40. In most cases small or nil increase is proposed. The key change proposed is the reduction in the concession awarded to 40% rather than current concession charge of 50% of the full charge. This reduction in concession is proposed following a review of concessions made by other local authorities in London.
- 8.41. Mortuary fees are proposed to increase based on market data and to ensure fees are moving towards a full cost recovery. Other fees which are in line with the market have been increased by CPI.
- 8.42. Fee changes in regulatory services have been subject to equalities screening and EqIA. These changes will have a low impact overall and are not expected to have a disproportionate impact on any protected groups.

### **Building Control (See Appendix XIa)**



- 8.43. Charges are required to be set so that the Building Regulations service breaks even over a 3-year period.
- 8.44. During 2016/17 the service undertook a detailed review of fees and charges. This resulted in a schedule that reflects the actual costs of delivering the service and was benchmarked against other planning authorities Local Authority Building Control Services. Therefore, it is proposed that fees and charges increase by an average of 2.4%. The cost of service provision to commercial organisations has been reviewed and charges have been increased to reflect cost recovery in line with Council policy. Nil increase is proposed for local land charges as these are at full cost recovery already.
- 8.45. An equalities screening has been completed in relation to the proposed changes. The proposed fee increases are low, with most under or at the rate of inflation. Therefore, the fee increases are not anticipated to impact disproportionately on any of the protected groups.

**Development Management (Planning / Development Control Services) (see Appendix XIb)**

- 8.46. The service has reviewed charges relating to pre-application advice and planning performance agreements relating to residential and commercial properties and an inflationary increase has mostly been applied to these charges.

**9. Changes to 2018/19 Fees & Charges Previously Agreed by Cabinet or Cabinet Signing**

**Adults Services (See Appendix 1)**

- 9.1. Within the Council's 2017/18 Medium Term Financial Strategy, approved by full council in February 2017, proposals to withdraw the subsidy for meals on wheels and levy a charge based on actual contractor cost of a meal were set out, subject to consultation. This took place and the withdrawal of the subsidy for meals on wheels was agreed at Cabinet in October 2017. An equalities impact assessment was completed.
- 9.2. The revised charge is shown in Appendix 1.

**Children's Services (see Appendix XII)**

- 9.3. The Council charges for places at children's centres. Cabinet agreed to an increase in fees in February 2017 and the fee increase was implemented in September 2017. There are no further increases planned by the service for 2018/19.

**Development Management (Planning / Development Control Services) (see Appendix X1b)**

- 9.4. In February 2017 the 'Fixing our broken housing market' White Paper set out proposals to increase nationally set planning fees by 20% on the basis that the additional income generated would be invested in local authority planning services. A Cabinet Member Signing decision was made on 30 November 2017 to implement the planned planning fee increases and any other changes from the date the regulations

came into force. Regulation SI 2017 no. 1314 was made on 20th December 2017 which means that local planning authorities will be able to start applying the fee changes from 17th January 2018. The service forecast that this will generate an additional £250k - £300k income annually which will be used to increase efficiency and reduce planning application processing times.

## **10. Contribution to strategic outcomes**

10.1. Maximising the Council's resources, in particular in the current financial climate, is a key part of the Council's Medium Term Financial Strategy. In addition, the review of fees and charges has taken into account the Council's strategy and policies regarding that particular service.

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

**11.1.** The Chief Finance officer confirms that the proposed changes to Fees & Charges outlined in this report and appendices have been reflected in the Council's proposed 2018/19 budget. Overall a net additional contribution to the General Fund of c. £100k is forecast to be achieved. Whilst this may not seem high, Members need to be mindful of the policy and legislative restrictions that need to be considered. Furthermore, the provision of services is sensitive to levels of demand as well as competition from other providers and it is important that income budgets remain realistic and achievable.

**11.2. The Assistant Director of Corporate Governance has been consulted on this report.**

11.3. 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.

11.4. There is a further range of services where specific legislative provisions allow authorities to decide whether to charge and how much.

11.5. 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.

11.6. 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.

- 11.7. In reviewing fees and charges, the Council need to have due regard to the overarching Public Sector Equality Duty as set out in the Equality Act 2010.
- 11.8. 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.

### **Equalities Comments**

- 11.9. The Council has a public sector equality duty under the Equality 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.
- 11.10. The proposed fee changes set out within this report have all been subject to equalities screening. Where the screening process has identified a potential disproportionate impact for the protected groups, a full EqIA has been completed. The results of the equalities screening and EqIA process have been highlighted for each of the proposed changes in section 8 of this report.

## **12. Policy Implication**

- 12.1. The Council's income policy requires that an annual review takes place and this report meets that policy obligation.

## **13. Use of Appendices**

Appendix I	Adults' Services
Appendix II	Traffic Management
Appendix III a	Libraries Charges
Appendix III b	Cultural Services Charges
Appendix IV	Garage Rents
Appendix V	Asset Management
Appendix VI	Court Summons
Appendix VII	Neighbourhood Action – Waste Collection
Appendix VIII a	Parks Services

Appendix VIII b	Parks Events
Appendix IX	Registrars
Appendix X	Regulatory Services (excl. Licenses etc. set by Reg. Committee)
Appendix XI a	Building Control
Appendix XI b	Development Management
Appendix XII	Children's Services

## **Appendix A Equalities Screening Tools & Impact Assessments (EqIA)**

### EQIA

Appendix A1	Adult Services – Haynes Day Centre – EqIA
Appendix A2	Cultural Services Charges - EqIA
Appendix A3	Regulatory Services – EqIA

### Screening Tools

Appendix A4a	Traffic Management – suspensions per bay per day increase
Appendix A4b	Traffic Management – suspensions – cancellation fee
Appendix A4c	Traffic Management – suspensions – additional site visit
Appendix 5	Library Service
Appendix A6	Garage Rents
Appendix A7	Asset Management
Appendix A8a	Parks Services
Appendix A8b	Parks Events
Appendix A9	Registrars
Appendix A10	Building Control

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

- 14.1. Outcome of consultation and decision on withdrawal of subsidy for Meals on Wheels service (Cabinet 17 October 2017)
- 14.2. <http://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=118&MId=8290&Ver=4>