

Report for: Cabinet 12 February 2019

Item number:

Title: Review of Fees and Charges 2019-20

Report authorised by: Jon Warlow – Director of Finance and Chief Finance Officer

Lead Officer: Frances Palopoli, Head of Corporate Financial Strategy and Monitoring

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 as a minimum 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 from the start of 2019/20. 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 review our fees and charges, as a minimum annually, 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 2019, unless otherwise stated, and as detailed in Section 8 and

Appendices I – XII d taking into account the findings of equalities assessments as set out in section 8 of the report, save as provided at (b) below;

- b) To note that this meeting will also consider proposals to introduce Additional Licensing schemes for private rented properties which are detailed at Appendix X b ‘HMO Licensing’ of this report, and subject to approval by the Cabinet of this proposal, to agree the proposed fees and charges as set out in said Appendix X b;
- c) To **note** that the Council’s Medium Term Financial Strategy (MTFS) 2019/20-2023/24 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 as a minimum annually. The financial position of the Council supports the view that levels of fees and charges should be maximised where possible 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, as a minimum annually, usually as part of the budget setting process;
 - Charges should generally increase by the Retail Price Index (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.
- 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 2019-20 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 as a minimum annually and that 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 2019/20-2023/24 assumes that fees and charges increase by a minimum of 3.3% in 2019/20 unless there is good reason not to, which should be explained. This represents the underlying RPI rate at September 2018 when the annual service review of fees & charges commenced.
- 7.5. In some cases, where a 3.3% 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 I was considered by that committee at its meeting of 20 November 2018.

8. Service Specific information

- 8.1. The Appendices I – XII detail the services' fees and charges, showing the 2017-18 rate, 2018/19 rate and the proposed 2019-20 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. 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.

- 8.3. Increases are generally in line with RPI inflation but due to rounding to the nearest 5 or 10 pence for smaller fees/charges, some increases may be higher. There is no increase proposed for Haynes Day Centre rates as these only moved to a full cost recovery basis this year.
- 8.4. An equalities impact assessment screening tool 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.
- 8.6. The service is proposing to increase charges by 3.3% but due to rounding some increases will be higher. One exception is Emergency Traffic Management Orders (403%), for which the increase is designed to bring Haringey in line with other boroughs. The service is proposing one new charge, a permission to park per day charge of £20, which is designed for the convenience of tradespeople who need to procure a daily permit on demand.
- 8.7. A full equalities impact assessment has been completed which identified a potential impact on some protected groups. However this was deemed low and will be monitored through feedback from residents, Ward Councillors and other representative groups.

Libraries (See Appendix IIIa)

- 8.8. 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).
- 8.9. A benchmarking exercise with four neighbouring boroughs has been carried out which concluded that no increases should be proposed for 2019/20. Additionally, room hire charges were reviewed & changed for 2018/19, with the aim of achieving a standardised approach across the service and to maximise space & value. Given this recent review no increases are proposed for 2019/20

Culture (See Appendix IIIb)

- 8.10. Charges for community and corporate events were increased in 2018/19 and are in line with charges for similar venues in the borough. Consequently no increases have been proposed for 2019/20.
- 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.

Garage Rents (See Appendix IV)

- 8.12. The level of garages rent is based on demand, location and size and the income contributes to the Housing Revenue Account (HRA) rather than the General Fund (GF).
- 8.13. The service has reviewed it's pricing strategy for 2019/20 and is proposing the following;
 - a) The Concessionary discount for Haringey residents who are either over state pension age or have a disability will be retained at 2018/19 levels, with a 0% increase.
 - b) The pricing structure for Tenants and Leaseholders of Haringey Council renting their first garage will be simplified from 14 different bands to 6. This re-banding will result in some garages moving into higher bands and therefore the fee increases range from 3.4% to 7.3% with the average of 4.9%.
 - c) A new flat rate will be introduced for private renters, businesses and those Tenants and Leaseholders of Haringey Council renting their second or subsequent garage. This flat rate is based on a market test of current garage rents across the borough. As a result pre-existing renters in this group will see an average rise of 77.2%.
- 8.14. 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 to ensure they can still access the service. A specific pricing structure is in place for Tenants and Leaseholders of Haringey Council which is below market rate in recognition of the financial constraints on this group and to ensure they are able to take advantage of the facilities on their estates.
- 8.15. An equalities impact assessment (EqIA) screening tool has been completed which indicated that a full EqIA was not required in relation to customers who are over state pension age, disabled or are Tenants/Leaseholders of Haringey Council renting their first garage.
- 8.16. A full EqIA has been completed in relation to private renters and Tenants/Leaseholders of Haringey Council, which has indicated the following;
 - a) Private renters - the new flat rate is applied equally on all groups and across the entire stock. This group has benefited from the ability to access garages at below market rates until now but this is a non-essential service and this cannot be maintained without placing a greater burden on more disadvantaged groups. Those private renters who are disabled or over state pension again will still be able to access a concessionary rate.

- b) Tenants/Leaseholders of Haringey Council – this will only apply to those individuals who wish to rent 2 or more garages. This approach has been taken deliberately to discourage households from owning and storing multiple garages as part of the Greenest Borough Strategy. In addition, it is forecast that this will free up some garages for letting to other tenants/leaseholders in particularly sought after locations resulting in a fairer distribution of limited resources.

Corporate Landlord (Asset Management) (See Appendix V)

- 8.17. 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.
- 8.18. All other charges such as room hire and staff car parking have increased by 3.3%, which is in line with the rate of inflation.
- 8.19. 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)

- 8.20. 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 charges levied at that time.
- 8.21. The current charges are broadly in line with other London Boroughs and it remains prudent to keep them at the same level for 2019/20.
- 8.22. 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)

- 8.23. Commercial waste fees and charges are set in consultation with Veolia who manage the joint partnership for commercial waste. The commercial market is very competitive and therefore charges were frozen for this financial year, however increases of between 2%-4% are proposed for 2019/20, primarily based on market information. In addition new recycling charges are being introduced for paper and card, food and glass as well as a daily bin hire charge.

- 8.24. For household waste new bulk bin hire and other chargeable waste services were introduced in 2017/18 and are still bedding in therefore no increase is proposed for 2019/20.
- 8.25. For fixed penalty notices, the allowable range for charges is set by statute and no increase applies in 2019/20 except for littering where the Council will levy a penalty of £150, which is the maximum the statute allows.
- 8.26. An equalities screening tool has identified no adverse impact and therefore a full EqIA is not required.

Parks Services (See Appendix VIII a)

- 8.27. Allotment rents were increased by 75% in 2018. It was subsequently agreed with the Allotment Forum that the rent would not be subject to a further increase for three years, but it would be reviewed in 2021.
- 8.28. 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. New charges have been set for school sports day park hire, for the use of anticipated new facilities and tennis court access based on a partial recovery of costs. To encourage those less able to pay to access these facilities off peak hire will be free of charge subject to making an online booking.
- 8.29. 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)

- 8.30. The Council operates in a competitive market, particularly for major events that take place in Finsbury Park. With prices having been increased by inflation since 2016/17 market testing now demonstrates that our prices are at the right sort of level compared to nearby boroughs and to attract sufficient business to maximise the income potential. Consequently, no increase is proposed for 2019/20 however a full charging review will take place during 2019.

Registrars (See Appendix IX)

- 8.31. 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.
- 8.32. 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 proposal fee levels aim, as a minimum, to enable current income requirements to be achieved whilst providing a comprehensive service.
- 8.33. The proposed 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 Xa)

- 8.34. 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.
- 8.35. Where fee increases have been proposed these are broadly in line with inflation. In a number of cases no increase is proposed in order to remain competitive with the market. There is an established 40% discount for concessions for pest control fees. This discount remains the same as last year.
- 8.36. Mortuary fees are proposed to increase based on market data and to ensure fees are moving towards a full cost recovery.
- 8.37. An equalities screening has been completed in relation to the proposed changes. These fee changes will have a low impact overall and are not expected to have a disproportionate impact on any protected groups. The service's concessionary rate acts as a way to mitigate individual circumstances as concessions are given to lower income groups on means tested benefits.

HMO Licensing (See Appendix Xb)

- 8.38. Mandatory HMO Licensing is a non-discretionary scheme introduced by Government which came into effect in 2006 . The fee for a Mandatory Licence was set at £208.00 per habitable unit with discounts attached for certain aspects of the licensing process. It applies to all HMO occupied by 5 or more persons across whole borough.
- 8.39. Current Additional HMO Licensing in Tottenham is a discretionary scheme adopted by L.B Haringey in December 2013. It came into effect in 1st May 2014 and is due to end 30th April 2019, the fee for Additional HMO Licensing is £208 per habitable unit with the same discount applicable to Mandatory HMO Licencing. It applies to HMO occupied by three or more persons within designated area.
- 8.40. A proposal is simultaneously going to this Cabinet meeting for a borough wide additional HMO Licensing scheme which will compliment borough wide Mandatory Licensing so that any HMO will now require a licence regardless of number of occupants. The fee has been changed to a set fee of £1100 per unit based on an average 5 bed let. The fee has been changed from a per unit fee to a per property fee as case law in R (Gaskin) v Richmond-upon-Thames LBC [2018] outlined how a fee can be charged. The fixed fee allows for a fee to be taken at application stage and a separate fee at compliance phase, this is the same as with commercial licensing. An additional fee of £50 per unit will be charged to Landlords who have properties that exceed 10 units in order to cover the additional costs of processing and inspecting larger properties in the borough.
- 8.41. An early bird incentive has been set for first three months of proposed scheme for complaint landlords of £600, further discount of £50 can be applied to this if the landlord is accredited. This has been reduced from £100 as consultation feedback agreed to having a discount and £50 was financially viable.
- 8.42. All licensing fee money is ring fenced to be used for the purposes of operating a scheme.

- 8.43. A full EQIA has been completed which is included in the HMO Licensing Cabinet Paper.

Building Control and Local Land Charges (See Appendix XIa)

- 8.44. Charges are required to be set so that the Building Regulations service breaks even over a 3-year period.
- 8.45. 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 are increased by inflation rounded up to the nearest appropriate level.
- 8.46. An equalities screening has been completed in relation to the proposed changes. The proposed fee increases are low, with most around the rate of inflation. Therefore, the fee increases are not anticipated to impact disproportionately on any of the protected groups.
- 8.47. Local Land Charges are set so that the service breaks even over a three-year period and also so that we, as a Local Authority, do not set our fees so low as to impact the other private search companies, in accordance with the guidance on fees setting under the Local Land Charges Act 1975.
- 8.48. There is no proposal to increase the Land Charge fees as these already achieve cost recovery.

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

- 8.49. The service has reviewed charges relating to pre-application advice and planning performance agreements relating to residential and commercial properties and increases have been proposed to these charges.
- 8.50. During 2015/16 the service undertook a detailed review of fees and charges. This resulted in a schedule that reflected the actual costs of delivering the service and was benchmarked against other Local Authority Development Management Services. The Service has redone this detailed review taking account of the actual times that are taken to deliver these services.
- 8.51. An equalities screening has been completed in relation to the proposed changes. Although a number of these raises are substantial the fee increases are not anticipated to impact disproportionately on any of the protected groups. It should also be noted that these charges would only apply to those that are carrying out development and these fees would be a very small proportion of the overall cost of a development project.
- 8.52. It is not anticipated that this will increase the income of the Planning Service, rather it is likely that it will offset an expected reduction in planning applications and pre-applications in the current years.

Childcare (see Appendices XIIa to XIIc)

- 8.53. The Council charges for all childcare services that it directly provides. Cabinet agreed to an increase in fees in February 2017 which was implemented in September 2017. For 2019/20 an increase of 4.92% in fees for three and four year olds at Stonecroft nursery is proposed to cover the inflationary uplift in salary costs. In addition it is proposed that lunches at the nursery are increased in line with inflation. These changes will ensure cost recovery and contribute to the ongoing sustainability of the nursery. There are no further childcare increases planned by the service for 2019/20.
- 8.54. An equalities screening tool has identified no adverse impact and therefore a full EqiA is not required.

Children's Contact Centre (see Appendix XIId)

- 8.55. The Council's Children's Contact Centre moved to the new premises in May 2018 and has begun to offer its services to other local authorities when space is available. This can be by providing a room only, or a room, supervisor and a contact report, or a supervisor for contact in the community. The service has benchmarked other local authorities and has set its rate just below market rate to stimulate demand.

9. Contribution to strategic outcomes

- 9.1. 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.

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

Finance Comments

- 10.1. The proposed changes to Fees & Charges outlined in this report and appendices have been taken into account in the Council's proposed 2019/20 budget.

Procurement Comments

- 10.2. Strategic Procurement notes the contents of this report.

Legal Comments

- 10.3. The Assistant Director of Corporate Governance has been consulted on this report.
- 10.4. 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.

- 10.5. There is a further range of services where specific legislative provisions allow authorities to decide whether to charge and how much.
- 10.6. 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.
- 10.7. 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.
- 10.8. 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.
- 10.9. 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 are set by the Regulatory Committee.

Equalities Comments

- 10.10. The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:
 - Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
 - 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.
- 10.11. The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.
- 10.12. 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.

11. Policy Implication

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

12. 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 a	Regulatory Services (excl. Licenses etc. set by Reg. Committee)
Appendix X b	HMO Licensing
Appendix XI a	Building Control and Local Land Charges
Appendix XI b	Development Management
Appendix XII a	Childcare – Triangle and Woodside
Appendix XII b	Childcare – Park Lane
Appendix XII c	Childcare – Stonecroft
Appendix XII d	Children's Contact Centre
Appendix XIII	EqIA – Parking
Appendix XIV	EqIA – Garage Rents
Appendix XV	EqIA – HMO Licensing

13. Local Government (Access to Information) Act 1985