



Cabinet
1 June 2015

Report of the Chief Finance Officer

Wards affected:
ALL

Fees and Charges 2015-16

1. INTRODUCTION

- 1.1. Local authorities adopt a range of approaches to charging for services. These approaches reflect local policy choices, custom and practice. Some authorities choose relatively commercial approaches, seeking to make surpluses on at least some activities in order to cross subsidise others. Others try to use charging regimes to drive residents' and customers' behaviour, and still others adopt an approach aimed, at most, at recovering the costs of some discretionary activities.
- 1.2. Brent's approach has not been subject to a fundamental review for some time, and this report introduces the principles by which such a review will be carried out for future years.
- 1.3. Fees and charges for 2015/16 have also been reviewed. In the significant majority of cases no changes are proposed. For example homecare, meals on wheels and most charges for access to sports facilities are all frozen. However, in a small number of cases slight uprating to charges is recommended to keep income in line with costs, and in some other cases this report takes proposals from the recently agreed budget, which set out the overall charging regime for certain services, and proposes specific charges for these.

2. RECOMMENDATIONS

- 2.1 To note that there will be no increase in 2015/16 to the fees and charges for the services set out in Appendix 2.
- 2.2 To agree the increases to the fees and charges set out in Appendix 1, effective 1 July 2015 or as soon thereafter as the changes can practically be implemented.
- 2.3 To note that a wider review of fees and charges will be carried out during the 2015/16 year to inform future budget and policy making, the results of which will be considered at a future meeting.

3 Detail

- 3.1 Local authorities charge a wide range of fees for a wide range of services. In some cases, such as certain parking contraventions and planning applications, the fee levels are set by statute, or at any rate by bodies other than the council, and in levying the fees the council has no discretion as to the price. In others there are certain constraints on pricing, for example that charges should be set at a level to recover costs, and in others still the council has wide discretion as to how to charge for services.
- 3.2 Alongside purely economic pricing policy councils also need to consider the wider consequences of charging and the markets in which they operate. For some services, which tend to be more regulated in terms of the discretion on price available to local authorities, councils are essentially monopoly suppliers. For example, no other body (excluding for very large regional or national infrastructure projects) can approve planning applications. By contrast, there is an active private market for services as diverse as pest control, trade refuse collection and provision of leisure facilities such as gyms and swimming pools.
- 3.3 In setting prices councils need to be aware of their market position, neither abusing an essentially monopolistic position nor failing to respond to commercial pressures from private sector (or in some cases other public sector) competitors. Pricing can also be used to achieve policy goals, such as discounts for financially disadvantaged groups, for example to encourage participation in sports and exercise, or to increase penalties to discourage socially undesirable activities, such as using powers to impose on the spot fines for littering.
- 3.4 In short, pricing decisions can be sophisticated and complex, requiring careful balancing of financial and policy choices. A detailed review of the pricing arrangements across the local authority services is proposed, to report back as part of the budget making cycle. This will create the opportunity to engage with residents, community groups and their representatives about how the council should approach charging for services. In the meantime, it is appropriate to consider the sources

of income and charges for them in 2015/16, and whether any slight uprating for inflation on these may be desirable but subject to cost recovery principles if applicable.

- 3.5 Brent, like most local authorities, generates significant income through fees and charges. These vary through charging members of the public and small business owners to large organisations. In summary the principal sources are as set out below.

Service Heading	Income predominantly from members of the public (£m)	Income from institutions (£m)	Comment
Adult Social Care			
Residential & Nursing Care	7.3	n/a	Charges levied for Residential and Nursing Care under prescribed national legislation (Care Act 2014)
Homecare and other Community Care	4.0	n/a	Charges levied for Services in the community including Homecare, Direct Payments, Meals on wheels. Deputyship/Appointeeship.
	11.3	0.0	
Chief Operating Officer			
Parking & Street Lighting	13.3	n/a	Income from Parking enforcement, On & Off Street Parking, Parking Permit and Licence
Registration and Nationality Service	1.8	n/a	Income from Citizenship ceremonies, national check service, marriage, birth & death registration (Brent & Barnet)
Transportation	n/a	1.6	Income from Traffic Orders, Engineering Fees, NRSWA - S72 Defect Inspection & S74 Penalty, Fixed Penalties, Footway/carriage admin, permit charges etc.
Cemeteries	1.0	n/a	Income from Internment, Exclusive Rights of Burial.
Legal	n/a	0.4	Legal costs income from BHP, Schools, colleges.
Communications	n/a	0.3	Income from marketing and advertising, including The Brent Magazine.
Brent Customer Services	n/a	0.3	Income from Brent customer services
Recycling & Waste	0.3	n/a	Income from bulky and garden waste collections
Sports	0.4	n/a	Income from sports recreation, membership fees, sports facilities, hall & rooms hire etc.
Other	0.4	0.4	Welsh Harp, Policy & Scrutiny services, Audit & Investigations, Libraries fees, Allotment fees,

			Brent Transport Service Sale of equipment and other fees & charges
	17.2	3.0	
Children and Young People			
Early Years	0.3	n/a	Private Nursery Fees income
Children's Social Care	n/a	0.4	Short Breaks Centre, Local Safeguarding Board
School Improvement Services	n/a	1.3	Income from Brent Music Service and Schools
Special Educational Needs, Pupil and Parent Services	n/a	0.3	Recoupment income from out of borough schools
Youth and Connexions	n/a	0.3	Income from fees and charges. e.g. Gordon Brown
	0.3	2.3	
Regeneration & Growth (housing)			
Private Housing Service	n/a	2.8	License fees & charges
Housing Needs	18.1	n/a	Rental Income - Temporary Accommodation Client Contribution to costs
Housing Partnership	2.0	n/a	Stonebridge PFI - rental income
Other	0.8	n/a	Travellers Sites rental, Contributions to Projects, BACES Tuition and Creche fees
	20.9	2.8	
Regeneration & Growth (non housing)			
Building Control Consultancy	0.5	0.7	Fees - Building Regulation income and consultancy fees
Planning & Development Control	0.7	1.0	Fees - Planning Application income
Land Charges	0.4	0.4	Fees - Land Charges fees
Commercial Rent & Service Charges	0.4	1.3	Rent - Commercial rent, service charges etc.
Facilities Management	0.9	0.5	FM Car Park & Rental Income for Civic centre
Regulatory Services	0.7	0.5	Various Licencing, Pest treatments, trading standards fees, POCA
Other	0.3	0.1	Rent Income from events in Civic Centre, Enforcement of planning regulations
	3.9	4.5	
Total Fees and Charges	53.6	12.6	

- 3.6 There are no proposals to increase the vast majority of charges against these sources. As part of the recent budget Members' clearly expressed the policy goal was to avoid adding pressure to financially vulnerable residents by even marginal amounts. There were no proposals, for example, to increase charges for services ranging from fines for overdue library books, cemeteries and associated costs, the hire of sports pitches, to increase prices for meals on wheels, or to increase the rate at which residents receiving adult social care are charged.
- 3.7 There were, however, a small number of proposals to increase prices for specific services, such as for visitor car parking, which was detailed in the budget report. There were also some cases where the general policy to increase or introduce charges for certain services was agreed, but officers were not at that time able to propose precise fee levels. This report updates that position so that new prices can be implemented and, in a small number of cases, proposes annual inflationary increases for some of those services where the council operates in competition with other providers. The vast majority of prices are being held without even inflationary increases, reflecting the policy goal of avoiding adding financial pressures to stretched families, and of course reflecting that national inflation indices are at historical lows.
- 3.8 In total, the proposals in this report would generate estimated full year additional income of £75k, so 75% of this in 2015/16, assuming a 1st July implementation date. Of this, the vast majority is already accounted for in the 2015/16 budget. The balance will generate a small underspend in 2015/16, all other things being equal, and count as a new saving for 2016/17.
- 3.9 This report also signals that the council will need to consider changing its approach more radically in 2016/17. The council's financial position is well known, with the local authority sector facing significantly greater reductions in funding than other parts of the public sector. Nothing in the recent general election result suggests any change to this overall policy direction.
- 3.10 Once the timetable and details of the next spending review are clarified the council's financial estimates will be updated, but at the current time officers are still working to the broad brush assumption that funding reductions and other financial pressures in 2017/18 and 2018/19 will require the council to make a similar level of savings in that period as it required to in 2015/16 and 2016/17. This equates to a broad brush estimate of around £50m, although this figure could change significantly once the outcome of the next spending review and local government settlement are known, which could be at least six months away. The budget announcement on 8th July may reduce some of this uncertainty.
- 3.11 This does not necessarily mean that prices will rise across the board as a contribution to that savings target. Where the council is operating in competition with other providers the right course of action in some

cases might be to reduce prices to stimulate demand and hence reduce overall net costs, or even to withdraw from direct service provision if Members determine that there is a broadly accessible private market for the services in question. In other cases, targeted price rises on those able to afford to pay more may be more appropriate. The right approach will be determined by reference to the conditions in which each charged for service operates, and the policy goals that the council is seeking to deliver.

- 3.12 As part of this Members will also need to consider the right governance for future decisions on pricing. At present the council's constitution requires all decisions on fees and charges to be taken by Members, except where specific exemptions have been agreed, such as for copying charges in libraries and other council offices. This detailed democratic oversight has many virtues, not least that all such decisions are made in public, by elected councillors who are accountable to the electorate for their decisions.
- 3.13 Members may in future wish to consider whether this oversight is necessary for all charges. The alternative view is that for at least some services, those where the council is competing with commercial providers who can and do change prices daily to respond to market conditions and opportunities, that at least limited flexibility delegated to officers may enhance the ability of those services to deliver the financial targets Members set them.
- 3.14 Officers propose to research best practice further and consult as appropriate to bring back proposals arising from a comprehensive review of fees and charges as part of the coming budget round. In the meantime, this report sets out the proposed fees and charges for 2015/16 and any recommended uprating of these. The table at 3.5 sets out the principal sources of income from fees and charges. Following the same sequence this report sets out commentary as appropriate on each area, with references to detailed appendices with pricing schedules where necessary.

Adult Social Care

- 3.15 The council provides social care to adult residents who, following a professional assessment, are determined to have 'substantial' or 'critical and substantial' needs. In line with national legislation and guidance the council carries out financial assessments of the assets and income of those residents, to determine whether or not contributions are required to be made to the cost of that care.
- 3.16 There are no proposals to increase the fees in 2015/16 in this report. However, with the implementation of the Care Act 2014 the department may seek, through a separate report, proposals to review the current charging policy.

Parking

- 3.17 Charges for parking were dealt with comprehensively in the budget report of 3rd March 2015, which was agreed by Council. No new proposals are introduced by way of this report, and Members wishing to

remind themselves of the details are invited to review proposal ENS15 of that report.

Registration and Nationality Service

- 3.18 To remain competitive and to ensure all costs are covered, a small number of fees regarding the approval of wedding premises and nationality checking are proposed to be increased. These increases will still allow Brent to charge the lowest fees compared to the majority of neighbouring boroughs.

Transportation

- 3.19 Charges are set to recover the costs of a number of services provided by the Transportation service. The increases listed in Appendix 1 include a standard inflationary uplift for Traffic Orders; an increase to vehicle crossing applications to bring them in line with other Local Authority benchmark charges; an above inflationary increase to Temporary Traffic Regulation orders to cover the rising costs of advertising and an above inflationary increase to White Line Access bars.

Cemeteries

- 3.20 The council owns and manages three cemeteries within the borough; Alperton, Paddington Old and Willesden New. It also jointly owns Carpenders Park Cemetery, located outside the borough within the area of Three Rivers District Council near Watford. There are no proposed changes in the charges for the service.

Legal

- 3.21 The Council's legal department provides legal support to Brent Housing Partnership, Brent Schools and colleges. There are no proposed changes to the current charges.

Communications

- 3.22 The Communication team generate income from marketing and advertisements through council publications. There are no proposed changes to the current charges.

Brent Customer Services

- 3.23 The fees and charges income for Brent Customer Services relate solely to a Service Level Agreement with Brent Housing Partnership for the provision of customer services. There are no proposed changes to the current agreement.

Recycling and Waste

- 3.24 There are no proposed changes to the fee at which individuals are charged for the illegal deposit of waste (fly tipping) and the income generated from bulky and green waste collection.

Sports Service

- 3.25 There are no proposed changes to fees at the Bridge Park Leisure & Community Centre or the residents subsidised B.Active Cards. The

core prices at Vale Farm and Willesden Sports centre will increase in line with the arrangements in the two leisure management contracts.

Parks

- 3.26 The Parks Service subsidises a number of sporting activities that make use of the boroughs parks, none of these charges are proposed to be increased. Appendix 1 lists a small number of charges with a proposed increase of no more than 3%. These include the hire of the pavilion to cover the costs of cleaning; the charges levied on the use of parks for circuses and the partial cost recovery of events in parks.

Early Years

- 3.27 A small number of children's places at Willow nursery are self funded. These fees, together with the Nursery Education Grant, Children in Need and Children with Disabilities funding, allow for the nursery to run on a cost neutral basis. No changes to the fees charged are proposed.

Children's Social Care

- 3.28 The Ade Adepitan Short Break Centre is for local children and young people aged from five to eighteen, with profound and multiple learning difficulties, complex health needs, physical disabilities and autistic spectrum disorders. The centre also sells places to other neighbouring boroughs, generating income. No changes to the fees charged are proposed.

Schools Improvement Service

- 3.29 The Schools Improvement Service core offer is free to Brent schools. Schools are responsible for their own improvement, but the local authority, through the School Improvement Service, has a statutory duty to provide challenge and support for those schools failing to meet the required standards. Schools can also commission additional support either through a support package or on a one off basis via a traded service. No changes to fees and charges are proposed.

Special Educational Needs, Pupil and Parent Services

- 3.30 Where a child from another local authority is placed in a Brent maintained school, the council will recoup the costs of providing for pupils with a statement of SEN and certain other high cost needs from the local authority. No changes to fees and charges are proposed

Youth and Connexions

- 3.31 Summer University is a programme of courses for young people (11-25 years) living/studying or working in Brent. The courses run during the summer holidays for 4 weeks at different venues in Brent. It is hosted by Brent Youth and Voluntary Services. The service charges a subsidised fee for a variety of courses. There are no proposed changes to these fees.
- 3.32 The Gordon Brown Outdoor Education Centre is owned by Brent Council and set in 25 acres of rural countryside in Rotherwick, Hampshire. The centre mainly provides residential and day services, and weekend visits to all Brent and non-Brent schools. Brent schools

pay a subsidised rate whilst non-Brent schools pay the full rates. No changes to fees and charges are proposed.

- 3.33 The service also receives income from a number of schools in relation to the Right Track project and Connexions. No changes to fees and charges are proposed.

Private Housing Service

- 3.34 Under the Housing Act there are three types of licensing relating to Private Sector Housing 1) Mandatory Licensing Scheme - this scheme covers Housing with Multiple Occupation (HMOs) that have three or more storeys and are occupied by five or more people 2) Selective Licensing Scheme - this scheme focuses on improving the management of privately rented properties 3) Additional Licensing Scheme - defined as properties containing 3 or more separate households in a property of no more than 2 floor. There are no proposed changes to the License fees.

Housing Needs

- 3.37 The council provides temporary accommodation to clients categorised as homeless under a statutory duty (Homelessness Act 2002), the cost of this is usually covered by Housing Benefit. The rent levels are determined by the type/size of the property (example 1 or 2 bedrooms) and the London Housing Allowances (LHA 2011) BRMA rates. There are no changes proposed for 2015/16.

Housing Partnership

- 3.38 In addition to the Council's dwellings contained within the HRA, the council also continues to hold dwellings outside the HRA i.e. in the General Fund. The Council currently owns 332 properties under this scheme and Hillside Housing Trust (part of the Hyde Housing Group), manages these properties on the Council's behalf through the PFI contract. The income and expenditure associated with these dwellings are broadly neutral to the council. The framework for the annual rent setting for the Brent Stonebridge dwellings is contained in the 30 year PFI contract between Hyde Housing Group and the Council. Cabinet has already approved in line with the PFI framework an average increase of 2.2% for 2015/16

Travellers Site Accommodation

- 3.39 The Council is required by the National Planning Policy Framework (NPPF) and the Housing Act 2004 to meet the accommodation needs of the population within their area. This includes the needs of the Gypsy and Traveller community and that of Travelling Show People. The council currently has one site based in and managed on our behalf by Oxfordshire County Council. A significant percentage of site residents receive Housing Benefit which is paid by the local authority in line with standard regulations. Rent Increase for Residential Traveller

Pitches has been in recent years limited to 1% and cabinet has agreed to increase rents by 1% for 2015/16.

Building Control

- 3.40 All charges are shown exclusive of VAT.
- 3.41 Building Regulation charges must be set at a level which takes account of all relevant costs incurred in operating a Building Regulation service. Building Control operates in a competitive environment whereby residents and businesses have a choice of provider (Public or Private sector) on each project. Any proposals for changes in charges will be brought through a separate cabinet report under the Regeneration & Growth portfolio.

Planning

- 3.42 All charges are shown exclusive of VAT
- 3.43 There are a combination of 49 different nationally set types and levels of fees which include a number of fees with stepped thresholds including a maximum fee. These are not shown on the charging schedule as fees are set nationally.
- 3.44 Charges for pre - planning fees were dealt with in the budget report of 3rd March 2015, which was agreed by Council. Members wishing to remind themselves of the details are invited to review proposal R&G25b of that report.
- 3.45 Increases to a range of Section 106 fees are proposed to reflect time taken to carry out the work, based on full cost recovery and income
- 3.46 Applications by householders (extensions - not new build housing) account for about 10% of total revenue received by Planning.

Land Charges

- 3.47 All charges are shown exclusive of VAT.
- 3.48 Section 106 negotiation fee charges (base fees) relate to cost recovery for the work undertaken to negotiate and check legal agreements. To reflect the work being undertaken there is often a required increase in charges as these may not been reviewed for up to ten years. However a small number of obligations will be charged less as a consequence. In most cases these obligations will not be applied to domestic works and so these charges are not expected to have any significant effect on the cost of householder development. These charges are to be paid on material start of the Development.
- 3.49 Section 106 monitoring fees - specific obligations: These proposed charges are calculated on the basis of cost recovery for the work undertaken to monitor, assess and verify compliance with specific obligations. There is often a charge increase required to reflect properly the work undertaken. In most cases these obligations will not be applied to domestic works and so these charges are not expected to have any significant effect on the cost of householder development.

- 3.50 Official searches: Local Land Charges have been calculated on the basis of cost recovery for the work undertaken to check, book, process, verify and issue official, verified searches. Most of the increases are to reflect the fact the charges have not been reviewed in six years and also some reflect the fact that the original methodology did not always fully reflect staff time taken to undertake the work. The charge of £250 for an official search for a single property is not a significant charge for members of the public purchasing homes in Brent when considered with the other charges associated with moving house. Charges for postal searches are greater to reflect the additional cost of handling hard copy information.
- 3.51 Environmental Information Regulations: Brent is obliged to maintain a database and register of certain environmental information and to make that available to the public, in the format they may request, wherever reasonable. The council may recover very limited costs associated with providing this information and must exclude the cost of maintaining the database and register and any overheads associated with the staff time spent providing the information. These are new charges and have been reviewed by the Legal department. Previously Brent would make the information available for collection only; this change will enable the public to receive their information by email or post for a small fee. The public will still be able to visit the Civic Centre to inspect the electronic Local Land Charges register without charge.

Commercial Rents & Service charges

- 3.52 There are commercial rents and service charges from Brent owned properties. No changes to fees and charges proposed.

Facilities Management

- 3.53 There are charges for the Civic Centre car park and specific rental agreements for the use of the Civic centre. No changes to fees and charges proposed.

Regulatory Services

- 3.54 All charges are shown exclusive of VAT
- 3.55 The majority of Regulatory Services fees are set by statute. In general those not set by Government, can be set by Cabinet, have been increased each year and for 2015/16 have been increased by around 1%, although the precise percentage varies in order to accommodate rounding, usually to the nearest pound and, if applicable, in accordance with cost recovery principles. The notable exceptions are Pest control, where prices are frozen for customers booking online, and increased by around 15% for customers booking by phone. This is being implemented to encourage customers to book online which requires less resource input. The price for squirrel treatments has been increased by a third to reflect the need to increase the number of visits from 2 to 3, to ensure more satisfactory success rates for treatments.

4 FINANCIAL IMPLICATIONS

- 4.1 In general fees and charges recover some or all of the costs of services from users. This generates income which reduces the costs of services to Council tax payers and can also be used to achieve other strategic objectives, such as encouraging the use of services. A decision to charge for or to subsidise services needs to be based on rational considerations.
- 4.2 The Medium Term Financial Plan assumes that any additional general fund income generated through increases proposed within this report will meet additional cost pressures within the service. Additional income that may be generated through areas such as street trading and parking charges will need to be earmarked for those specific purposes and do not as such represent additional income to the general fund.
- 4.3 As discussed in paragraph 3.8 it is estimated that additional income through the proposals in this report would generate an extra £75k for a full year. With the assumed 1st July implementation date this would equate to additional income of £56k part year affect for 2015/16.
- 4.4 If it is decided not to increase charges in line with inflation, this will generally have the impact of increasing the level of subsidy provided by the Council to service users. Once a decision is made to freeze charges, it is difficult to recover the lost income without increasing costs by more than inflation in a future period. The financial implications of freezing charges can therefore be regarded as permanent.

5 LEGAL IMPLICATIONS

- 5.1 The report proposes increases to existing discretionary fees and charges imposed by the Council or the introduction of new charges.
- 5.2 Appendix 1 sets out the proposed increases which Cabinet has the power to approve.
- 5.3 The Council has various powers to impose charges under specific legislation relating to particular services either on a cost recovery basis or otherwise. The Council also has general power under section 93 of the Local Government Act 2003 ("LGA 2003") to charge a person for discretionary services, that is, the provision of a service where the Council is authorised, but not required, to provide the service and the person has agreed to its provision. The power applies where there is no other specific statutory power that covers the proposed charge. The income from charges for a service should not exceed the cost of providing the service. Charges may be set differentially, so that users are charged different amounts, for example for parking at different times of the day or for different levels of service.
- 5.4 The Council has power under section 1 of the Localism Act 2011 to do anything that individuals generally may do, subject to specified restrictions and limitations imposed by other statutes. The general power of competence extends to charging for services, but limits on charging are imposed by section 3 of the Localism Act. The Council may only charge for a service under the general power of competence

if: (a) it is a discretionary service; (b) the person agrees to the service being provided; and (c) there is no other power to charge for the service, including in section 93 of the LGA 2003. Taking one financial year with another, the income from charges must not exceed the costs of providing the service.

6 EQUALITIES IMPLICATIONS

- 6.1 All the proposed increases in fees and charges were screened to assess their relevance to equality.
- 6.2 The screening showed that the proposals will not have any differential or disproportionate impact on any equality groups and do not require a full equality analysis.

7 BACKGROUND INFORMATION

None

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