



**Executive
13 December 2010**

**Report from the Director of
Finance and Corporate Services**

For Action

Wards Affected:
All

Increases in fees and charges in 2011

1.0 Summary

- 1.1 This report sets out proposed increases in fees and charges for council services from 1st January 2011 and for on and off street parking charges from 1st February 2011. The increases are one of the measures the council needs to take to address the projected budget gap of £37m in 2011/12 resulting from reductions in government grant and pressures on the council's budget. Currently many fees and charges for council services in Brent are below fees and charges by other London councils and the increases proposed in this report will bring charges in Brent more into line with other councils.

2.0 Recommendation

The Executive is asked to:

- 2.1 agree the proposed increases in fees and charges in Appendix A to this report to apply from 1st January 2011 (paragraph 5.2);
- 2.2 agree the proposed increases from 1st January 2011 in charges for advertising, design and the language service (paragraph 5.3);
- 2.3 agree that in the event that any of the proposed increases in paragraphs 2.1 or 2.2 above are in excess of the permitted maximum, the increases will be set at the maximum level allowed;
- 2.4 agree the increase in on- and off-street parking charges set out in paragraphs 5.8 and 5.9 of this report and the issue of the necessary notices to allow the increases to apply from 1st February 2011 or as soon as possible thereafter;
- 2.5 agree that the first hour of off-street parking is frozen at its current level and that officers report back to the next meeting of the Executive on the most effective way of implementing a free first hour parking (paragraph 5.7);
- 2.6 note that, for those fees and charges that are inclusive of VAT, the increase will include the increase in VAT from 17.5% to 20% from 1st January 2011;
- 2.7 note that officers will be reviewing charges in other areas listed in paragraph 5.10 of this report and will report back to the Executive on these issues.

3.0 Background

- 3.1 The financial forecast in the First Reading Debate report to Full Council identified the combined impact of phased reductions in government grant and pressures on council spending over the next four years. It identified an estimated budget gap of £37m in 2011/12.
- 3.2 The council's One Council Programme includes a range of measures to address these reductions. In 2009/10, in preparation for expected reductions in funding, 50 manager posts were deleted. A further 250 posts have been deleted across the organisation in the current year as a result of modernising the finance function, streamlining the processing of housing and council tax benefits, and carrying out a general structure and staffing review. Further measures to save costs and improve efficiency are planned for future years, including a change to the council's management model, reviewing the way support services are provided, removing duplication and improving efficiency in the way the council deals with first contacts from customers, negotiating reductions in the cost of goods and services purchased by the council, and rationalising the council's property holdings. The council is also looking at the way it provides services to ensure that they are effective including rationalising libraries, changing the way the waste management service is provided, and introducing new arrangements to meet service needs of people with learning disabilities. All these changes are expected to lead to the loss of significantly more posts than the 300 already deleted together with significant reductions in non-staffing costs.
- 3.3 But these changes alone will not deliver the savings necessary to compensate for loss of grant. So the council, along with all other councils, is having to review the charges it makes for services.
- 3.4 The proposals in this report are for charges to be increased from 1st January 2011 wherever possible. This both helps address the impact of loss of grant in the 2010/11 financial year and means that the increases happen at the same time as increases in VAT from 17.5% to 20% rather than there being two separate increases.
- 3.5 The report only covers some of the areas of fees and charges raised by the council. Other areas are subject to review and these are detailed in paragraph 5.10. Any decisions to increase charges in these areas or introduce new charges will be subject to decisions by the Executive. All other charges subject to VAT which are not covered in this report will increase from 1 January 2011 as a result of the increase in VAT.

4.0 The review of fees and charges

- 4.1 The review has taken into account the following issues:
- a. For many services, the council provides services free at the point of use: waste collection and disposal; street cleaning, lighting and maintenance; library services; parks; cultural festivals; children's centres; youth service provision; school admissions; support for children with Special Education Needs; child protection; children in care; support for homeless people; social housing applications; housing adaptations; mental health services (section 117 clients); social care assessment services; residential and home care for people who cannot afford to pay; community safety

including for example CCTV, noise nuisance patrols, and anti-graffiti teams; consumer protection and environmental health services;

- b. For other services, the council charges for the service but subsidises them because of the wider benefits they bring. For example, the council subsidises use of leisure facilities in order to promote sport which has wider benefits for communities in Brent;
- c. For some services, the government either sets the charges or determines the framework within which the charges are made. These include for example planning applications, charges for residential and home care for adults, registration of births, deaths and marriages, parking penalties, and fees charged to grant licenses to businesses that require them. The council either has no discretion on the level of charges set or must set them within tightly defined statutory guidelines;
- d. In other cases the council has freedom to set charges at a level that meets the costs it incurs. This includes for example charges for building control services, pest control, a wide range of street licences, checking nationality applications and a wide range of other charges;
- e. There are certain charges where there is no fixed basis for determining the charges – for example, a full commercial rate may not be determinable or the council may be a monopoly supplier of services. In these cases the council sets what it considers a fair charge. For example, this applies to nationality checking;
- f. Specific rules apply to parking charges where the council can set charges at the level that it wishes so long as the income generated is spent on parking or a specified set of transport related services;
- g. There are certain services for which the council can charge commercial rates. These include, for example, hire of the Paul Daisley Hall, use of parks for special events and so on.

4.2 The review has also looked at what neighbouring councils charge. In general, Brent Council charges less for its services than other councils in London. The proportion of the council's total costs met by charges is 8th lowest out of 33 London Boroughs; the amount charged per head is 12th lowest out of 33 London Boroughs. In several areas, the council charges below what many of its neighbouring boroughs charge; for example, Brent's parking charges are generally lower than neighbouring boroughs. The review has also looked at areas where other boroughs charge and Brent Council does not; for example, other councils charge for call outs to deal with rat infestation but Brent does not. In the current financial climate, it is very difficult to justify this which also leads to inefficient use of resources as a result of false call-outs. Part of the review has been to look at what other boroughs are planning to do to their existing charges in response to the reduction in grant; there is evidence that most boroughs are planning to increase fees and charges in response to the reductions.

4.3 The review has also looked at the consequences of increases in charges, including carrying out Equality Impact Assessments. In certain instances there is significantly more demand for services than the council can meet. For example, there are long waiting lists for allotments which other boroughs charge for at a higher rate than Brent. Given the decisions that the council is

having to take in response to cuts in funding, it is difficult to justify continuing to charge low rates when there is such a high demand. The review has also looked at circumstances in which charges are likely to be affected by reduced demand for the service and therefore there would be no or little financial benefit to the council from increasing the charges.

5.0 Proposed increases

5.1 The general approach that has been taken to determining increases is as follows:

- a. increases to bring charges up to the level charged in other boroughs where there is evidence that Brent is charging less than others – this applies to parking charges; charges for allotments (including review of concessions); and licence fees for scaffolding and skips;
- b. increases to ensure full cost recovery – this applies to licensing and street trading charges;
- c. an increase of 10% in all other cases except where it is clear that increases will affect demand for the service or there are policy reasons for not increasing the charges – for example, usage of sports pitches is likely to be affected by increases so for those that will be affected a 5% increase has been applied, rather than 10%, and in the case of cemeteries a policy decision has been taken not to increase the charge for child graves;
- d. introduction of new charges where it supports efficient use of council resources – this applies to the proposal to charge for call outs for rat infestations.

Fees and charges (other than parking)

5.2 Appendix A provides details of proposed increases in fees and charges from 1st January 2011. The areas covered are as follows:

- a. licensing fees;
- b. library charges for overdue books and reservations;
- c. charges for nationality checking, weddings and individual citizenship ceremonies (including introduction of a £6 charge, on top of the £9 statutory fee, for supply of certified copies of births, deaths, and marriage certificates within 20 minutes of a request being made);
- d. Fixed Penalty Notices for littering;
- e. skip, scaffolding and hoarding licenses;
- f. sports pitches and commercial use of parks;
- g. pest control, including introduction for a charge for call out for rat infestation;
- h. cemeteries;
- i. allotments;
- j. hire of youth facilities and registration for Duke of Edinburgh awards.

5.3 In addition, it is proposed that there is an increase of 10% in charges by the Communications Unit for advertising, design and translations.

Parking charges

- 5.4 Brent's on and off street parking charges were last revised on 1 April 2009. The review at that time recognised that Brent charged significantly less than many neighbouring boroughs and aimed to bring Brent's charges closer to those of neighbouring boroughs. The review also recognised the policy benefits of increased parking charges including reduced congestion and the contribution made to reducing carbon emissions.
- 5.5 A wide public consultation over the council's strategic approach to parking in 2007 which preceded those changes highlighted the need for consistency and uniformity in the charges including greater alignment of on and of street charging. Members at the time agreed that on street charges should continue to be set in a manner which encourages short term use as this increases the number of motorists able to access each location.
- 5.6 The present review of fees and charges has identified that Brent's charges remain significantly below those of neighbouring boroughs and that Brent's income per on-street parking place is extremely low relative to comparable boroughs. The review concluded that an increase of approximately 50% would be appropriate to bring charges closer to parity with neighbours.
- 5.7 Access to and availability of parking can make an important contribution to the economic well being of the borough's retail centres and this was reflected in the commitment made by the present administration to ensure that the first hour of parking in the council's car parks should be free. This is consistent with the goal discussed above of encouraging short term use of on-street parking places. Officers are currently investigating the most effective way of implementing this change and will report back to the next meeting of the Executive on arrangements to be put in place. In the meantime it is proposed to freeze the charge for the first hour.
- 5.8 Table 1 below shows the current and proposed charges for off street parking in Brent's car parks. The proposals are for charge increases to be implemented from 1st February 2011. However, this depends on the speed at which necessary Traffic Orders can be implemented and changes made to the parking machines. This may lead to delay and Members are therefore asked to agreed the increases from 1st February 2011 or as soon as possible thereafter.

Table 1 – Proposed revised off-street parking charges

Length of Stay	Existing Charge (1 April 2009)	Proposed charge from 1 February 2011
Up to 1 hour	£1.00	£1.00
Up to 2 hours	£2.00	£3.00
Up to 3 hours	£3.00	£4.50
3 hours or more (including all day / until car park closes / midnight)	£5.00	£7.50

- 5.9 Table 2 below shows the current and proposed charges for on-street parking at pay and display meters.

Table 2 – Proposed revised on-street parking charges

Length of Stay	Existing Charge (1 April 2009)	Proposed charge from 1 February 2011
Up to 20 minutes	40p	60p
Up to 40 minutes	£1.00	£1.50
Up to 1 hour	£1.80	£2.40
Up to 2 hours	£4.00	£6.00
Up to 4 hours (max)	£6.00	£9.00

Further areas for review

- 5.10 The following areas are subject to further review (proposals for changes to charges as a result of these reviews will require agreement of the Executive):
- Adult Social Care charges will be reviewed as part of the existing One Council projects on the provision of Direct Services and the Customer Journey;
 - There will be a review of fees for sports facilities, including Willesden and Vale Farm Sport Centres;
 - Anomalies for charging for on-street parking spaces on Bridge Rd, Wembley, on Preston Rd and on the Park Royal Industrial Estate will be reviewed;
 - Library charges are subject to a more general review as part of the overall libraries transformation project;
 - Charges for the School Improvement Service will be reviewed as part of an overall review of the School Improvement Service offer;
 - There will be a review of other services to schools to ensure the charges meet the full cost of the services;
 - Charges for Brent Adult and Community Education Services and the Schools Music Service will be reviewed in advance of the 2011-12 academic year;
 - Charges for private sector housing services provided by Housing and Community Care will be reviewed in advance of the 2011/12 financial year.

6.0 Financial Implications

- 6.1 The impact of reductions in grant on the council finances were set out in the report for the First Reading Debate on the 2011/12 Budget to Full Council on 22nd November 2010. Increases in fees and charges have been identified as one of the measures for bridging the budget gap and a target for a minimum £250k saving in 2010/11 and £4m from 2011/12 has been set within the One Council Programme.
- 6.2 Details of the impact of these changes and changes to charges agreed at previous meetings of the Executive are shown in Table 3 below.

Table 3 Impact of proposed changes on income to the council

	2010/11 impact £'000	2011/12 impact £'000
Increases proposed in paragraph 5.2/Appendix A	104	415
Increases proposed in paragraph 5.3	20	80
Increases in off-street parking charges – excluding effect of 1 hour free parking (paragraph 5.8)	0-12	0-70
Increases in on-street parking charges (paragraph 5.9)	100-166	600-1,000
Additional income from proposals in this report	224-302	1,095-1,565
Add: Change to parking permits arrangements agreed in August 2010	-	1,100
Moving Traffic Contravention net income – agreed in June 2010	50	275
Less: Removal of free bulky waste charge agreed in August 2010	(196)	(393)
Net additional income from all decisions on fees and charges	78-156	2,077-2,547

6.3 At this stage it is not possible to assess the savings from the further reviews of fees and charges set out in paragraph 5.10. However, significant areas of charge are covered by these reviews and it is considered likely that these reviews will enable the target of £4m additional income from fees and charges in 2011/12 to be achieved after taking account of the cost of introduction of a free hour parking in off-street car parks. In addition, after taking account of the cost of reintroduction of free bulky waste being met within the Environment and Neighbourhood Services cash limit in 2010/11, the target saving of £250k in the current year is expected to be achieved.

6.4 Income from the increases will be monitored as part of the council's budget monitoring procedures. In particular, although account has been taken of changes in demand for services resulting from the proposed changes to fees, the potential impact of this will need to be kept under review.

7.0 Legal Implications

7.1 Paragraph 3.1 (o) of Part 4 of the Constitution removes from the delegated authority of any officer a decision which relates to the setting, levying or increase of any fees or charges to any member of the public in respect of a Council service (other than room lettings and copying charges). It is therefore necessary for members to agree most of these changes. Members are also able to agree those which could be otherwise determined at officer level.

7.2 Charges can only be imposed where there is a legal power to do so but such powers are contained in various Acts and regulations. The Local Government Act 2003 introduced a new general power for local authorities to charge for

discretionary services provided criteria in legislation are met and guidance is taken into account. The necessary regulations and the associated guidance in relation to powers to charge have been in place since November 2003. Where these powers are relied upon the amount that may be charged is restricted to an amount which taking one year with another enables the council to recover its costs but does not mean a profit will be made.

- 7.3 Legal Services will review proposed new charges to ensure that they are lawful and within the council's powers.
- 7.4 Any changes to the existing parking charges require notices to be publicised under section 46A of the Road Traffic Regulation Act 1984. Introduction of charges at new sites require the making of Traffic Orders under Sections 45 and 46 of the Act. The statutory processes are set out by the Secretary of State.

8.0 Diversity Implications

- 8.1 The proposals in this report have been subject to Equality Impact Assessments.
- 8.2 The proposals will have an overall impact on users of service for which charges are made. However, the changes to the charges are considered proportionate, reasonable and can be objectively justified in the context of the reduction in grant and budget pressures that the council faces which is set out in the report. They are one of a number of measures the council is having to take to address the reduction in resources.
- 8.3 The fees and charges covered in this report have been reviewed on an individual basis and in the context of the council's policy on fees and charges. The increases are intended to apply, and will in practice be applied, fairly.
- 8.4 The removal of the concession for allotments for people over 60 is considered fair in the context of the overall choices faced by the council. However, the council will consider any individual cases of hardship caused by this proposal and take remedial action if required.
- 8.5 The impact of the increases will be monitored to ensure fair application of the charges.

9.0 Staffing Implications

- 9.1 None specific

10.0 Background Papers

- 10.1 Report on the First Reading Debate on the 2011/12 Budget to Full Council on 22nd November 2010.

11.0 Contact Officers

Peter Stachniewski, Tel: 020 8937 1813
E-mail: peter.stachniewski@brent.gov.uk
Clive Heaphy, Tel: 020 8937 1424
E-mail: clive.heaphy@brent.gov.uk

CLIVE HEAPHY
Director of Finance and Corporate Services