


<p>Cabinet</p> <p>5 January 2016</p>	
<p>Report of: Zena Cooke, Corporate Director of Resources</p>	<p>Classification: Unrestricted</p>
<p>Fees and Charges 2016/17</p>	

Lead Member	Councillor David Edgar, Cabinet Member for Resources
Originating Officer(s)	Barry Scarr - Interim Service Head, Finance and Procurement
Wards affected	All wards
Key Decision?	Yes
Community Plan Theme	One Tower Hamlets

Executive Summary

This report details the proposed changes to fees and charges across all directorates for the financial year 2016/17. A more comprehensive review of fees and charges will be undertaken as part of the medium term financial planning for 2017/18 to 2019/20.

Fees and charges detailed in this report generally fall into two broad categories:

Statutory – those set by the government

Discretionary – those set at the discretion of local authorities.

Whilst the recommendations in this report relate to discretionary charges, details on the key statutory charges have also been included in the appendices (see Appendix 6) to provide the overall picture for the Council.

The level of inflation (CPI = 0.0%, RPI = 1.1% as at the end of August 2015) has been a key factor in determining the recommended changes. However, as the report points out, directorates have also taken into account several other factors such as service demand, the projected cost of providing the different services and the impact of the general economic situation on the Council's residents.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Approve the revised fees and charges for **Communities, Localities and Culture** as set out in **Appendix 1** with effect from 1st April 2016.

2. Approve the new Pre-application charges for **Development and Renewal** as set out in **Appendix 2** with effect from 5th January 2016.
3. Approve the revised fees and charges for **Development and Renewal** as set out in **Appendix 2** with effect from 1st April 2016.
4. Approve the revised fees and charges for **Adults' Services** as set out in **Appendix 3** with effect from 1st April 2016.
5. Approve the revised fees and charges for **Children's Services** as set out in **Appendix 4** with effect from 1st April 2016.
6. Approve the revised fees and charges for **Law, Probity and Governance** as set out in **Appendix 5** with effect from 1st April 2016.
7. Note the revised **Statutory** fees and charges as set out in **Appendix 6** with effect from 1st April 2016.
8. Note the revised **Licensing charges** in **Appendix 7** which have been approved by the Licensing Committee on 6th October 2015, with effect from 1st November 2015.

1. REASONS FOR THE DECISIONS

- 1.1 Fees and charges are reviewed annually as part of the Council's financial and business planning process. This ensures that they are set at the appropriate level for the prevailing economic conditions and represents good practice in terms of the Council's aim to provide value for money.

2. ALTERNATIVE OPTIONS

- 2.1 Whilst the changes to fees and charges recommended in the report follow a review of existing charges by each directorate, other alternatives can be adopted by Members if they so wish. The financial impact of any alternatives will need to be reflected in the Council's Medium Term Financial Plan (MTFP).

3. DETAILS OF REPORT

3.1 BACKGROUND

- 3.1.1 The application of fees and charges plays an important role in supporting the Council achieve its strategic objectives, for example, by:

- Providing a source of funding for re-investment in services;
- Influencing resident behaviour i.e. controlling service demand whilst, through appropriate discounts/concessions, ensuring that only those who can afford to pay are required to pay;
- Working as a driver to reduce unit costs.

- 3.1.2 The Council is committed to optimising its income in a fair and proportionate way.

- 3.1.3 The authority currently generates in the region of £30m through fees and charges, in the main through parking £10.2m, planning and building control fees £3.8m, school meals £3.2m, commercial waste £3.1m, and street trading £2.3m. The income generated through fees and charges is reinvested in the associated services. No service seeks to make a surplus from fees and charges income.

- 3.1.4 The fees and charges fall into two broad categories: (1) statutory charges which are set by statute (this includes most planning fees) and (2) discretionary charges which can be determined by the Council (this includes commercial waste and leisure services). A few charges do not fall clearly into either of these two categories in that they are not under the direct control of the Council: this includes Penalty Charge Notices which are set by local authorities through London Councils, with the approval of the Mayor of London and Secretary of State for Communities and Local Government.

- 3.1.5 Whilst the on-street parking charges are driven by traffic management considerations, a key factor in determining the level of charge for the other main sources of income is the cost of service provision. However, Council

policy has largely dictated that the ability of people to pay is a prime consideration.

3.1.6 The table below sets out the key principles guiding the Council's approach to charging for services.

Fairness	Rationale & Prioritisation	Stability & Predictability
Subsidy should be a conscious choice i.e. a presumption to full cost recovery	Fees and charges should reflect key priorities	The impact of pricing changes should be managed over time where the impact is high
Concessions for services should be logical	There should be a logic for charges for different levels of the same service	Charges should be affordable to both users and the taxpayer
Charges should not provide subsidy to businesses from the taxpayer	Charges should be transparent, clear and simple	Charges should generate income to help delivery capacity, efficiency, and support continuous improvement
A tough stance to be taken on payment avoidance	Charges should take account of the wider market for similar or alternative services	Charges should be communicated to users as soon as practical

3.1.7 All directorates have undertaken a review of their fees and charges as part of the financial and business planning process having regard to these principles. Any additional income generated from increases will be used to offset the savings requirement in the MTFP.

3.1.8 The general rule is that fees and charges may not be set at such a level as to generate a surplus. However, there are some exceptions to this rule.

3.1.9 Set out below is a more detailed narrative on the outcome of the review process within each directorate. The report sets out where any special circumstances apply.

3.2 COMMUNITIES, LOCALITIES AND CULTURE

Parking (Appendix 1, section 1.1) [Ring fenced Account]

3.2.1 In setting Parking fees and charges, consideration has been taken of the need to ensure that:

- Value for money is provided
- Demand can be controlled and managed effectively
- Where appropriate, the cost of providing the services are recovered

- The Council's transport and environment strategies are supported

3.2.2 It is unlawful to set parking charges for the purpose of raising revenue.

3.2.3 The purposes behind setting parking charges are:

- To control and manage parking demand.
- To ensure road safety in the borough.
- To regulate traffic flow and reduce congestion.
- To cover the cost of providing the service, as the Government strongly recommends that any shortfall in operations should not be funded through the General Fund.

3.2.4 Income from fees and charges generate a total of £10.2m excluding Parking Control Notices (PCN). The income is credited to the Parking Control Account and any surplus which accrues within the account at year end is used to fund environmental, transport and highways expenditure within the Council.

3.2.5 In order to comply with best practice as suggested by London Councils, the Parking & Mobility Service has identified a requirement to reduce parking demand. It is assumed that increasing charges in line with RPI will keep parking demand at its current level (or continue to cover the cost of providing a service). It is assumed that increasing charges above RPI will reduce parking demand. In light of the continuing economic difficulties faced by businesses and residents no increases are proposed that exceed RPI for this year.

3.2.6 Increases include the following:

Fee/charge	Change	Range of Charges	Rationale
Residents' permit (Band C)	£0.50 increase for 12 months	Current £57.00 Proposed £57.50	An increase in line with RPI is required
Residents' permit (Bands D - G1)	£0.50-£1.00 increase for 6 months, and £1.00 increase for 12 months	Current £46.00 - £80.00 (6 month permits) £80.00 - £141.00 (12 month permits) Proposed £46.50 - £81.00 (6 month permits) £81.00 - £142.00 (12 month permits)	An increase in line with RPI is required
Residents' permit (Band G2 and multi-vehicle)	£1.00 increase for 6 months, and £2.00 increase 12 months	Current £91.00 (6 month permit) £170.00 (12 month permit)	An increase in line with RPI is required

		Proposed £92.00 (6 month permit) £172.00 (12 month permit)	
Residents' permit (foreign vehicle Band G2)	£1.00 increase for 6 months	Current £92.00 Proposed £93.00	An increase in line with RPI is required
Business / Public Service / Contractor / Doctor's permits (band A-G2)	Between £2-£3 increase for 3 months, between £3-£5 increase for 6 months, and between £5-£8 for 12 months	Current £229 - £340 (3 month permits) £340 - £499 (6 month permits) £549 - £817 (12 month permits) Proposed £231 - £343 (3 month permits) £343 - £504 (6 month permits) £554 - £825 (12 month permits)	An increase in line with RPI is required
Market Trader permit	£2 increase for 3 months, £3 increase for 6 months, and £5 increase for 12 months	Current £173 (3 month permit) £292 (6 month permit) £475 (12 month permit) Proposed £175 (3 month permit) £295 (6 month permit) £480 (12 month permit)	An increase in line with RPI is required
Car Club Permit	£2 increase for 12 months	Current £206 Proposed £208	An increase in line with RPI is required
Traffic Management Order (per item)	£35 increase for making / amending orders including preparation, advertising & implementation	Current £3,400 Proposed £3,435	An increase in line with RPI is required
Bay suspension administration charge (one off)	£1 administration charge increase for businesses and	Current £82 Proposed	An increase in line with RPI is required

	companies, residents, the NHS, police the fire brigade and registered charities	£83	
Dispensation administration charges for businesses and companies (one off)	£1 administration charge increase	Current £57 Proposed £58	An increase in line with RPI is required

3.2.7 New charges:

Fee/charge	Description	Rationale
Disposal of abandoned vehicles removed from private land	£50 per disposal	To cover cost of providing the service
Permit Administration - Refund for returned permits	£25 per item	To cover the administration cost of providing the service

Clean and Green (Appendix 1, section 1.2)

3.2.8 The Council has a duty to collect commercial waste when requested to do so and must make a charge for that collection. By law the Council is not allowed to provide a subsidy and must recover the cost of the service without distorting the commercial market. For these reasons an annual review of charges in line with the authority's fees and charges policies is undertaken.

3.2.9 Uplifts need to be applied to the fees and charges for commercial waste in 2016/17. These cost elements are covered under the two main contracts for collection and disposal. The annual uplift for the collection of waste for the year 2016/17 is anticipated to be 2.4% and this reflects an increase in fees driven by the need to recover those costs. Disposal costs have also increased by 2% and drives a fee uplift to ensure all costs related to the disposal of commercial waste is recouped. The average increase in related fees is therefore approximately 4.4%.

3.2.10 There are some collection only costs which are only increased in line with collection contract increases at 2.4%. All other charges will remain the same.

Transport and Highways (Appendix 1, section 1.3)

3.2.11 There is no proposed increase in fees and charges relating to street works, Traffic Management Orders and services which manage highway inquiries.

Street Trading (Appendix 1, section 1.4) [Markets Trading Account]

3.2.12 There is no proposed increase in fees and charges relating to the Street Trading Account for the financial year 2016/17.

Environmental Health and Trading Standards (Appendix 1, section 1.5)

3.2.13 It is proposed to create an intermediate fee for contaminated land searches. The intermediate fee of £209 would reflect the additional time and cost taken between the standard search and the non-standard search and would capture the search requests which would not be covered in terms of cost for the existing search fees.

3.2.14 It is proposed to increase all other areas within Environmental Health and Trading Standards in line with inflation to ensure cost recovery. This includes all charges for Health and Safety Enforcement, Food Safety, Smoke Free, Trading Standards, discretionary Licensing fees as shown, Housing Enforcement, Pest Control and Strategic Pollution.

Idea Store and Idea Store Learning (Appendix 1, section 1.7)

3.2.15 It is proposed that library charges remain unchanged in 2016/17.

3.2.16 Idea Store Learning is funded through a £2.5million contract with the Skills Funding Agency (SFA) to deliver both accredited and non-accredited adult and community learning. The Skills Funding Agency contract requires the Local Authority to introduce charges for English for Speakers of Other Languages (ESOL) courses, in line with charges for other types of courses.

3.2.17 The SFA funding principle is that a financial contribution to provision of community learning is made by the provider, and that the provider must:

- Maximise access to community learning for adults, bringing new opportunities and improving their lives, whatever people's circumstances, and,
- Collect fees from people who can afford to pay and use where possible to extend provision to those who cannot.

3.2.18 A new fees and charges model is proposed in order to maximise the fee income from those learners who can afford to pay a realistic fee level whilst adhering to SFA funding requirements. This will have no impact on learners who cannot afford to pay and who meet the SFA's definition of being eligible for fee waivers. All courses will be free or subsidised for learners who meet the eligibility criteria as follows:

- 1) **For those in employment:** earning less than the gross London Living wage (£16,653 pa).
- 2) **For those in receipt of Job Seeker's Allowance (JSA) or Universal Credit:** in receipt of JSA or Universal Credit.
- 3) **For those of pensionable age:** in receipt of Pension Credit (guaranteed only).
- 4) For Adult and Community Learning (non- qualification) courses, the above fee waivers will only apply to **LBTH residents only**.

Learners must provide proof of eligibility, such as:

- Pay slips (last 3 months)
- Bank statements (last 3 months)
- P60 (2015-2016)
- Tax returns (2014-15)
- Benefit documentation to ascertain level of individual income

3.2.19 The proposed fees are:

- £1.25 per hour for non-accredited ESOL courses for those in receipt of Universal Credit
- £2.50 per hour for non-accredited ESOL courses for full fee payers
- £4.00 per hour for accredited ESOL courses for full fee payers. These accredited ESOL courses are free for those in receipt of specified benefits
- £0.00 - £2.50 per hour for non-accredited courses (except ESOL courses) for those in receipt of specified benefits
- £2.75 - £4.50 per hour for non-accredited courses (except ESOL courses) for full fee payers

3.2.20 The changes proposed above are expected to generate approximately £75,000 which will increase in the following years and will offset the SFA grant reduction. The SFA Funding allocation for the next academic year is normally published in March and thus the full extent of grant reductions for 2016/17 will not be known until March 2016. However, indications from the Department for Business, Innovation and Skills (BIS) are that funding reductions of 20 - 40% in the Adult Skills Budget are likely.

3.2.21 A significant number of programmes that are provided for those seeking work or need to develop English and Maths skills will remain free to the learner. Examples of these are:

- All Family Literacy and Numeracy Programmes.
- Accredited English Maths and IT programmes for those who have not achieved a full level two qualification previously.
- Accredited ESOL programmes for those who are on benefits linked to employment or are on other benefits but actively seeking work.

- Speaking English with Confidence Clubs for ESOL learners, which are new initiatives being delivered within Tower Hamlets.
- Volunteers are offered free programmes to support their confidence.
- Partnerships with Skills Match will also provide free employability training for residents ready to move into employment.

3.3 DEVELOPMENT & RENEWAL

3.3.1 The Council generates £3.8m a year through charges for various planning and building control services. This includes a range of statutory and discretionary charges introduced in July 2012 for discretionary work associated with Street Naming and Numbering (SN&N) applications.

3.3.2 For 2016/17 the fees and charges include an inflationary increase as well as other increases consistent with the cost recovery principle, and a benchmarking exercise with comparative boroughs.

Planning (Appendix 2, section 2.1)

3.3.3 Pre-application advice meetings have increased significantly over the years and the feedback from customers (e.g. large developers, and local residents) show there is a demand for the service offer to broaden, to better meet the needs and expectations of service users. Developers, in the past, have indicated how useful this service is, in that it provides greater certainty and clarity to them by identifying planning issues and requirements before the application is submitted. It also ensures that more applications are valid and complete when they are received by the LPA. This is particularly so for the more complex applications where the submission of more technical documents necessitate. Similarly, there has been a demand for the higher rate service which developers are willing to pay for. All pre-application fees are inclusive of VAT.

3.3.4 Feedback from customers identifies three new pre-application service levels:

- Duty Planner Site Visits (£180 per follow up site visit)
- Informal EIA screening / scoping opinion (£575 / £865 per opinion)
- Bespoke Pre-application service for large strategic sites (£8,320 for initial consultation, and £4,160 for follow up / subsequent meetings)

3.3.5 It is proposed to increase charges for existing Pre-application services by between £7.80, for follow up meetings for minor scale developments, and £47.00, for the first meeting for a large scale development.

Building Control (Appendix 2, section 2.2)

3.3.6 Building Control trading account activity must break even year on year, hence, fees and charges relating to the Building Control Trading Account must reflect the cost of the service.

3.3.7 Street Naming and Numbering fees and charges were introduced during the 2012/13 financial year. The charges were set to test the impact on service demand. These charges have been reviewed and increased to better reflect the cost of providing the service.

3.3.8 As a result, the following price changes are proposed:

- £5 for naming/renaming a premises/street
- £15 - £30 (lower quartile) and £117 - £120 (upper quartile) for address creation of new developments

3.3.9 Across the rest of the Building Control service, it is proposed to increase charges by up to £7.

Land Charges (Appendix 2, section 2.3)

3.3.10 Although the Council has the power to set its own fees for Local Land Charges searches, fees charged must reflect the cost of the service.

3.3.11 The Local Authority searches are formed in two parts as set out in section 2.3 of Appendix 2; proposed increases are mainly based on inflation, ranging from £5 to £40 for the respective components of the charges.

3.4 ADULTS' SERVICES

Meals Service for Social Service Clients (Appendix 3, section 3.1)

3.4.1 The meals service provides the meals on wheels service, meals to lunch clubs and day services. The service provides meals to elderly and vulnerable adults and currently charges £2.40 per meal for both hot and frozen meals which generates around £230k per annum, depending on fluctuating levels of uptake.

3.4.2 The Meals Service for Social Service Clients remains a heavily subsidised service with the actual cost of meals being on average approximately £7. The majority of other London Boroughs charge in excess of £3 per meal for the service with some being as high as £6; there is therefore the potential to increase the charge further and thus reduce the level of subsidy in the future.

3.4.3 There are currently no proposals to increase prices during 2016/17. However this position will be reviewed as part of a wider review of charging within the directorate and may be revised at a later date following consultation.

Day Care Services (Appendix 3, section 3.2)

3.4.4 Day Care services are currently not charged for when clients meet the Council's eligibility criteria of substantial and critical need and the client lives in the Borough. This will also be reviewed as part of the wider review of charging and thus no immediate changes are proposed to the current

position.

- 3.4.5 Charges are however levied on clients attending LBTH day care centres where the placement is made by another local authority.
- 3.4.6 Current charges range from £44.20 to £64.29 per day, depending on which centre clients attend, and this generates approximately £10k per annum.
- 3.4.7 The current charges are already believed to be competitive and thus no further increases are proposed for 2016/17.

Extra Care for Sheltered Housing and Supported Living Clients (Appendix 3, section 3.3)

- 3.4.8 Client contributions towards extra care at sheltered housing is means tested and currently capped at £173.83 per week at Coopers Court, Duncan Court, Donnybrook Court and Sonali Gardens and at £188.16 per week at Sue Starkey and Shipton House.
- 3.4.9 The cost of extra care for supported living clients, although uncapped, is also means tested using the Council's fairer charging policy.
- 3.4.10 There are no proposals to change these arrangements as they are in line with the commissioned contracts in place and thus fees and charges will be frozen during 2016/17. Thus current income levels of £90k per annum are not expected to change during 2016/17.

3.5 CHILDREN'S SERVICES

School Meals (Appendix 4, section 4.1) [Trading Account]

- 3.5.1 The School Meals Service operated by Contract Services continues to provide healthy and nutritious meals to pupils on a daily basis. The menus change each April and November and are designed to meet or exceed the Government's tough nutritional and food based guidelines. For instance, primary menus served in schools have recently been awarded the Food For Life Silver Catering Mark. Contract Services has carried out a number of efficiency projects in order to generate cost savings and secure a viable future for the service. These efficiencies have been realised to date with the service currently projecting a break even position to year end. A request will be made to reinvest any surplus back into the service.
- 3.5.2 Budgetary research and planning has indicated that the global cost prices of food are likely to remain on par during the course of 2016/17. There will also be additional pressures on the salary budget reflecting the increase to the London Living Wage. Despite these pressures, through the careful and effective re-letting of procurement contracts, utilising the London Supplies Group Contracts (a groups of neighbouring authorities pooling their needs to obtain improved pricing) continued efficiencies on food costs are anticipated. The Mayor's Free School Meals for Primary School Students Project has also

increased meal uptake and in turn reduced unit costs.

- 3.5.3 The contract price charged to schools is £2.30 per child's meal. The price charged to pupils has been recommended to remain the same at £1.90 and £2.00 per meal (primary and secondary respectively) for 2016/17.
- 3.5.4 The price charged to schools, which will be considered by Schools Forum, is proposed to also remain the same for 2016/17 with a further review in twelve months' time. The total current cost of meals supplied is £12.75m. This figure is expected to remain the same for 2016/17, subject to any changes to pupil numbers or if any of the schools opt in/out of using contract services to provide their meals.

Arts and Music (Appendix 4, section 4.2)

- 3.5.5 It is proposed to increase fees and charges for activities provided by The Tower Hamlets Arts and Music Education Service (THAMES) from £6 to £7 per week. This service is free of charge for those parents classified as being on low incomes.
- 3.5.6 This charge is essential for the service to operate on a balanced budget. No funds are used from the Council to subsidise this work and it is fully grant funded by the DfE. THAMES offers the lowest charge of all Music Services in London by a considerable margin. Most services charge around £10 to £18 a week.

Holiday Childcare schemes (Appendix 4, section 4.3)

- 3.5.7 The Council runs childcare schemes during school holidays for both working and non-working parents. The current charges are £4 per day for non-working parents, £10 per day for working parents between 9am and 5pm, or £14 for an extended 8am-6pm day.
- 3.5.8 The service is means tested and to qualify for the subsidised rate, those on benefits must provide recent proof of benefits such as income support, Employment & Support Allowance (ESA) or Disability Living Allowance (DLA). These charges generate approximately £45k per annum.
- 3.5.9 Affordable childcare plays an important role in helping parents to work, or engage in education or training that can lead to work, and therefore contributes significantly to Community Plan priorities in relation to child and adult poverty and employment. This is particularly important in school holidays.
- 3.5.10 It is therefore proposed not to increase the fees for 2016/17. The service currently costs £175k; £75k is funded through SLA income and Fees & charges and the balance of approximately £100k is subsidised by the council.
- 3.5.11 The current proposal is based on no discernible change in demand for the Scheme. An updated report on demand levels is due at the end of October

2015. Any material change in demand will require a review of the current fee structure. Any changes to this will be reported.

Day Nurseries (Appendix 4, section 4.4)

3.5.12 The Day Nurseries currently cost the council £2.6m and provide a front-line service offering high quality childcare. The majority of children accessing this service are vulnerable and have been referred by Social Care or other professionals.

3.5.13 Members have previously set the maximum charge for nursery provision at £180 per week, in practice, for the few cases for which a fee is applicable the prevailing charge has been £148 per week.

3.5.14 There are no proposals to increase prices during 2016/17.

Support Services to Academies and Free Schools (Appendix 4, section 4.5)

3.5.15 The Council provides a range of support services for its schools on a traded basis, which are set out in detail in our online catalogue at www.lbthservicesforschools.co.uk. These services are charged on a full cost recovery basis.

3.5.16 Where appropriate, these services are offered to academies and free schools. In order to cover the additional administrative costs of providing these services to organisations outside local authority control, a pricing policy that adds a 10% administrative charge to the full cost recovery rate was adopted last year. It is proposed to continue with this policy. Academies and Free Schools will also be charged VAT.

3.6 LAW, PROBITY & GOVERNANCE

Electoral Services (Appendix 5, section 5.1)

3.6.1 Electoral Services generate approximately £4k per annum through the following fees and charges:

- Sale of revised registers
- Sale of Monthly alterations lists
- Sale of Marked polling station registers; and
- Confirmation of residency letters

3.6.2 The current charges are in the mid quartile compared to those charged by neighbouring boroughs and no increases are proposed in 2016/17.

Registration & Citizenship Service (Appendix 5, section 5.2)

3.6.3 The Registration & Citizenship Service currently generates approximately £700k per annum from a combination of fees from statutory services such as

the registration of births, deaths, marriages and civil partnerships and other services such as citizenship ceremonies, approved premises' licences etc.

- 3.6.4 Fees were last increased in this area in 2014/15. This is a competitive market and a recent benchmarking exercise has also demonstrated that our current fees are broadly in line with neighbouring Register Offices. Thus to maintain our competitiveness no further increases are proposed in 2016/17.

3.7 RESOURCES

- 3.7.1 There are no fees and charges for consideration within the Resources directorate.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 All directorates have undertaken a review of their fees and charges as part of the financial and business planning process, having regard to the guiding principles detailed in section 3.1.6.
- 4.2 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.
- 4.3 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 represent additional income to the general fund.
- 4.4 Assuming demand remains broadly the same as current levels, it is estimated that an additional £600k per annum may be generated through the changes proposed in this report.
- 4.5 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 COMMENTS

- 5.1 The Council has in place a range of fees and charges relating to services it provides. Some are set out in governing legislation or regulations made under such legislation and in those cases there is no discretion as to the level of charge. Others fall to be set by the Council pursuant to a variety of statutory powers. These discretionary fees and charges are reviewed annually.

- 5.2 The Council 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.
- 5.3 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.
- 5.4 Before imposing any new or revised fees and charges, the Council should first have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don’t (the public sector equality duty).
- 5.5 Certain fees may not be set by the Cabinet. Regulation 2(6) of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 provides that decision on certain approvals, consents permits and licences (for example premises licenses; licenses for street trading) cannot be made by the Executive. Likewise, charges for such approvals, consents permits and licences may not be made by the Cabinet. These fees will be set by the Council.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 The Council has a statutory duty under the Equality Act 2010, the effect of which is summarised in paragraph 5.17 of the report.
- 6.2 Equality analyses have been undertaken for all services where fees and charge increases are proposed (Appendix 8).
- 6.3 Where appropriate, concessions will be available to groups or individuals in the community where the increase may result in them being excluded from particular activities or subject to any other particular hardship.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 Fees and charges are reviewed annually as part of the Council's financial and business planning process. This ensures that they are set at the appropriate level for the prevailing economic conditions and represents good practice in terms of the Council's aim to provide value for money.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 There are no implications arising from the recommendations of this report.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 The proposals for increases to fees and charges detailed in this report support the Council's Medium Term Financial Strategy and are necessary to deliver approved savings and achieve a balanced budget.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 There are no implications arising from the recommendations of this report.

11. SAFEGUARDING IMPLICATIONS

- 11.1 The recommendations do not give rise to any relevant implications.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- Appendix 1 – Discretionary Fees and Charges within Communities, Localities and Culture
- Appendix 2 – Discretionary Fees and Charges within Development & Renewal
- Appendix 3 – Discretionary Fees and Charges within Adults' Services
- Appendix 4 – Discretionary Fees and Charges within Children's Services
- Appendix 5 – Discretionary Fees and Charges within Law, Probity & Governance
- Appendix 6 – Statutory Fees and Charges (All Directorates)
- Appendix 7 – Discretionary Fees and Charges approved by the Licensing Committee on 6th October 2015
- Appendix 8 – Equality Analyses

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- None

Officer contact details for documents:

N/A