

Cabinet 18 January 2022	 TOWER HAMLETS
Report of: Kevin Bartle, Interim Corporate Director of Resources (s151 Officer)	Classification: Unrestricted
Fees and Charges 2022-23	

Lead Member	Councillor Candida Ronald, Cabinet Member for Resources and the Voluntary Sector
Originating Officer(s)	Allister Bannin – Head of Strategic & Corporate Finance
Wards affected	All wards
Key Decision?	Yes
Forward Plan Notice Published	October 2021
Reason for Key Decision	Forms part of the Council's 2022-23 Budget
Strategic Plan Priority / Outcome	<p>1. People are aspirational, independent and have equal access to opportunities;</p> <p>2. A borough that our residents are proud of and love to live in;</p> <p>3. A dynamic outcomes-based Council using digital innovation and partnership working to respond to the changing needs of our borough.</p>

Executive Summary

This report details the proposed changes to fees and charges across the Council for the financial year 2022-23.

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

- Discretionary – those set at the discretion of local authorities, for example venue charges and commercial waste collection.
- Statutory – those prescribed by government statute, for example notice of marriage and household planning applications for alterations.

Whilst the recommendations in this report relate to discretionary charges only, details of the key statutory charges have also been included in Appendix 2 to provide the overall picture on fees and charges across the Council.

The level of inflation (CPI 3.1% & RPI 4.9% in September 2021), along with rounding up of the charge to the nearest 5p, 10p or other whole number for practical purposes have been key factors in determining the recommended changes. Other factors such as service demand, the projected cost of providing the different services, benchmarking with other local authorities and the impact of general economic factors including Covid-19 on the Council's residents have also been considered.

Recommendations:

The Cabinet is recommended to:

1. Approve the proposed changes to discretionary fees and charges as detailed in the appendices, subject to the conditions set out in Recommendation 4.
2. Approve new discretionary fees and charges as detailed in the appendices, subject to the conditions set out in Recommendation 4.
3. Note the revised statutory fees and charges as detailed in Appendix 2.
4. Note the Equalities Implications as set out in Section 4 and that, where it is highlighted in section 4.5 that a proposed fee or charge requires a full Equality Impact Analysis (EIA), this EIA will be undertaken prior to the introduction of the change to the respective fee or charge.
5. Approve delegation for amendments to fees and charges, including those to take account of the result of EIAs, to the relevant Corporate Director in liaison with the Lead Member and the Mayor.
6. Approve the commencement of the consultation process in respect of Street Trading fees and charges. To delegate the consideration of any representations and the determination of the decision to the relevant Corporate Director in liaison with the Lead Member and the Mayor prior to introduction of any change in fees and charges.

1. REASONS FOR THE DECISIONS

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

2. ALTERNATIVE OPTIONS

- 2.1 Whilst the changes to existing and the introduction of new fees and charges recommended in this report follow a review of the current charging regime, 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 Strategy (MTFS).

3. DETAILS OF THE REPORT

3.1 BACKGROUND

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

- Providing a source of funding for re-investment in services;
- Influencing service demand whilst, through appropriate discounts and 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 Fees and charges generally fall into two broad categories; Statutory or Discretionary. Charges that do not fall into either category include Penalty Charge Notices set by London Councils' Transport and Environment Committee; and on-street parking charges driven by traffic management considerations.

- 3.1.3 Additional income generated from increases to fees and charges will be used to support the Council to set a balanced budget for the new financial year.

- 3.1.4 Proposed increases have been rounded up to the nearest 5p, 10p or other whole number for practical purposes and in some instances, this has resulted in a large percentage change. This is necessary to ensure the practical application and collection of charges.

3.2 HEALTH, ADULTS & COMMUNITY

Meals Service for Social Service Clients (Contract Services) (Appendix 1, section 1.1)

- 3.2.1 This service provides hot meals to older and disabled people at day centres. It is proposed for 2022-23 the charge per meal is increased in line with inflation from £5.40 to £5.60.

- 3.2.2 For in house services, meals from Contract Services were previously used at Russia Lane, however this service was suspended during the pandemic and has recently re-opened. As part of new operational arrangements, the service

currently operates with service users bringing their own packed lunch. As this is working well, it is possible this may continue, in which case, there would no longer be meals/charges in relation to the service.

Community Based Social Care Services and Residential Care Services (Appendix 2, 6.2)

- 3.2.3 A policy is in place that sets out a framework for charging for adult social care services, covering both residential care and community based social care services. There is no set pricing, as the actual cost of services is used to inform the amount charged to each service user, following financial assessment which determines the contribution a service user can make towards their actual cost of care.

3.3 CHILDREN & CULTURE

School Meals (Contract Services) (Appendix 1, section 2.1)

- 3.3.1 The School Meals Service operated by Contract Services continues to provide fresh, healthy and nutritious meals to pupils on a daily basis. The menus change each April and November and are designed to exceed the Government's tough nutritional and food-based guidelines. However, it should be noted that Contract Services is operating at a trading deficit, which is continually under review in order to improve the service's trading position.
- 3.3.2 The Fees and Charges report for 2021-22 recommended that Contract Services no longer link the meal cost to the Government UIFSM grant levels as there are several other school meal income sources. Contract Services continues to subsidise the actual Primary meal cost, whilst food and labour costs increase to the council. It was therefore agreed that the Primary meal price be subject to an Academic year price review increasing to £2.40 from 1 September 2021 and the same will apply in September 2022 when the Primary meal will increase to £2.50.

Schools receive funding for free school meals at a far higher rate than the £2.40 meal price. Non-FSM key stage 2 meals will continue to be reimbursed at the price charged to schools. Therefore, this increase will only have a minor impact on school costs and zero impact on parents as all school meals for Primary pupils will continue to be free to the child at delivery.

- 3.3.3 The charge of the Adult meals price for both Primary and Secondary Schools will change from £2.70 to £2.80 excluding VAT, this compares favourably when reviewed against other inner London Council charges.
- 3.3.4 From April 2022 Contract Services will only be operating in 1 secondary school Swanlea, this school has an SLA Management Only Contract with Contract Services whereby all costs are recharged to the school together with a management fee. The charge will increase to £2.70 for the main meal and dessert offer. However, in secondary schools a variable meal charging

structure exists for other hot and cold food items served during morning break.

Arts and Music (Appendix 1, section 2.2)

- 3.3.5 The cost of the service is fully funded through Department of Education grants and fee income and therefore no subsidies are received from the Council. Fee levels remain the lowest of all music services within London and the proposed changes are necessary to cover inflationary pressures. The service will continue to be free of charge for those parents classified as being on low incomes and contributions will only be required from those whose parents can afford to pay. The rate for 2022-23 for THAMES music services will be £4/£8 for Wednesday and Saturday sessions respectively. If it is deemed appropriate, fee increases in line with inflation will be implemented at the beginning of the next academic year.

Parental Engagement & Support (Appendix 1, section 2.3)

- 3.3.6 The Council runs childcare schemes during school holidays for both working and non-working parents and carers. The holiday childcare scheme provides affordable high quality, inclusive childcare for children aged 3-13 years. Provision is aimed at supporting parents and carers to continue to work by providing childcare options during the school holidays. Affordable high-quality childcare is paramount for the parent/carers who access the scheme, which includes families from across the socio-economic spectrum.
- 3.3.7 Benchmarking has identified the Holiday Childcare Scheme charge below the London average weekly fees. Increased fees proposed this year keep Tower Hamlets in the lower fee range whilst developing the differentiated pricing model to embed the principle that higher earning families should pay full costs for the provision. Further review of the fee structure will be undertaken to ensure affordable childcare with appropriate level of subsidy. The new online booking system introduced into the service supports efficient management and development of a differentiated pricing model.
- 3.3.8 The recommended charges for 2022-23, increased in line with inflation, are as follows: £7.30 per day for non-working parents, £15.00 or £20.70 per day (depending on level of income) for working parents between 9am and 5pm, and £19.60 or £25.80 (depending on level of income) for an extended day 8am – 6pm.
- 3.3.9 The LA Holiday Childcare provision for 2022-23 for non LBTH residents will be increased in line with inflation to £56.80 per child, per day.

Integrated Early Years Service (Appendix 1, section 2.4)

- 3.3.10 Early years training for all early years education and care settings is heavily subsidised by the Integrated Early Years Service (IEYS).

3.3.11 The service was granted flexibility in pricing to enable it to offer discounts (e.g. for multiple bookings, early bird offers). This has helped maximise take up of training places.

Support Services to Academies and Free Schools (Appendix 1, section 2.5)

3.3.12 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.

3.3.13 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 previously adopted. It is proposed to continue with this policy. Academies and Free Schools will also be charged VAT.

Arts, Parks and Events (Appendix 1, section 2.6)

3.3.14 Hire of space at a number of venues within the borough is managed by the Arts, Parks and Events Service. Inflationary increases are proposed to charges for hire of venues within the borough.

Sports & Physical Activities (Appendix 1, section 2.7)

3.3.15 Outdoor sports pitches are managed by the Arts, Parks and Events Service. It is proposed to increase all pitch fees in line with inflation. The resultant charge for astro turf pitch hire is rounded up to the nearest £1. All other charges are rounded up to the nearest 10p. Pitch fees remain well below those in other London Boroughs. The rates for local residents and groups are low in comparison to other providers. There will be a concessionary fee for those Tower Hamlets residents who come from low income families. People and groups from outside Tower Hamlets will be charged at a higher rate.

3.3.16 The borough's leisure centres are managed by Greenwich Leisure Limited. The majority of fees and charges for activities provided at the leisure centres in 2022-23 will be raised in line with the agreed inflationary increase. The only changes above inflation relate to swim school fees. It is proposed to bring these charges in line with boroughs across London. It is recommended that Junior Concession 30min session is raised from £14.60 to £16, Junior Standard 30min sessions from £19.15 to £21, Junior Concession 45min session from £19.60 to £20, and Junior Standard 45min session from £27.35 to £28.00.

3.3.17 The Sports Development and Outdoor Education Teams are part of the Sport & Physical Activity Service and deliver a high quality, universal and varied programme of weekly activities, events, accredited and certified courses as well as a Summer Programme of sporting activities targeting young people

and their families. The charges are hourly, daily or weekly depending on the activity.

3.3.18 The Adventure Sports Days are managed and delivered by the Outdoor Education Team during the summer school holidays. These days provide young people with the opportunity to participate in adventurous activities ranging from climbing, canoeing, cycling and caving. Costs per participant are comparable to those charged through the Tower Hamlets Holiday Child Care Scheme.

3.3.19 The Outdoor Education Team has recently received status as an accredited centre for National Indoor Climbing Award Scheme (NICAS) at Limehouse Climbing wall. It is proposed that the team offers 10 week climbing courses (1.5 hour sessions) to local young people working towards national accreditation and completing regular physical activity.

3.3.20 The Duke of Edinburgh's Award is managed by the Outdoor Education Team. Open Bronze, Silver and Gold Expeditions will continue to be offered on a cost recovery basis so the fees have increased in line with inflation.

3.3.21 The Sports Development Team has traditionally provided a programme of sporting activities for under-represented groups such as older people, women and girls and the disabled. Activities delivered as part of the team's Summer Programme charge a per participant fee to cover activity costs for coaches, venues, equipment and infrastructure ranging from £1 to £40 depending on the activity.

In addition, coaching and training courses, which offer attendance, certified and accredited outcomes attract a charge of £30 to £200 per course, depending on the course level and duration.

3.4 PLACE

Parking (Appendix 1, section 3.1)

3.4.0 The Road Traffic Regulation Act 1984, section 45 outlines the reasons charges can be levied on designated parking places, these are: -

- (a) the need for maintaining the free movement of traffic.
- (b) the need for maintaining reasonable access to premises; and
- (c) the extent to which off-street parking accommodation, whether in the open or under cover, is available in the neighbourhood or the provision of such parking accommodation is likely to be encouraged there by the designation of parking places under this section.
- (d) managing and reconciling the competing demands for kerb space

3.4.1 The tariffs for designated parking places proposed in this report are designed to ensure a turnover of spaces to support local business and accessibility for residents and visitors to reduce congestion and emissions, therefore contributing to improvement to road safety.

3.4.2 Section 55 of the 1984 Act outlines the statutory requirement for disposal of income in respect of parking charges.

Encouraging more sustainable transport

Parking prices significantly influence parking demand, parking space turnover and, ultimately, car use and ownership.

We aim to use parking prices as a tool to regulate supply and demand. This is important as the demand for parking in inner London is greater than the amount of space available. By discouraging unnecessary car use, parking prices help to:

- improve congestion
- improve road safety
- improve local air quality
- reduce carbon dioxide emissions
- improve the quality of the local street environment
- shorten bus journey times and emergency vehicle response times

This is in line with Department for Transport's (DfT's) guidance to local authorities on parking, Tower Hamlets traffic management duties under the Road Traffic Regulation Act 1984, public health responsibilities under the Health & Social Care Act 2012 and the need to meet EU air quality standards.

Covering the costs of the scheme

A permit system is required in a parking zone so that we can identify local users. Enforcement would not be possible without issuing penalty charge notices to motorists parked in contravention. The DfT's guidance strongly recommends that the costs of parking controls are met using income from the scheme. The costs of managing the scheme includes:

- maintaining signs
- lines and posts
- implementing traffic management orders (local bylaws setting out the rules for parking)
- parking enforcement
- issuing permits
- considering appeals against fines
- back-office support

We believe that it is fairer if the costs of running a parking zone are met by the motorists benefiting from the scheme rather than if they are subsidised using council tax or another general fund.

Permits

To help manage demand for spaces in the borough, it is proposed to increase the surcharge on 2nd permits at each property from £60 to £70 for 12 months, and the surcharge on 3rd permits at each property from £180 to £230 for 12 months.

It is proposed that the annual diesel surcharge will remain the same at £60 for 12 months. This is lower than in neighbouring boroughs, for example in Islington the surcharge is £120, in Hackney it is £150 and in Camden it ranges from c. £29-£106.

Furthermore, proposed changes are -

- Increasing the costs for resident electric vehicle permit from £10 to £30 for 12 months. The proposed increase is still lower than the average price across other London boroughs which is approximately £54 for 12 months.
- Increasing the cost of the permit for vehicles in Band A and motorcycles to £35 for 12 months, this is due to the rise in price for electric vehicles which will be the lowest price band.
- Introduce a uniform relationship between six-month and twelve-month permit so that all six-month permits cost 60% of twelve-month permits.

Further, as the harmful impact of vehicle pollution on air-quality in the borough has become clearer in recent years it is time that our permit charges more closely reflect the significant impact of owning and driving a vehicle. All other permit increases are to rise by £5 as there was a significant increase in 2021-22.

Many London boroughs charge much more than LBTH for permits for the most polluting cars. For example, Camden charges £493.04 per year, Islington £490 and Lambeth £318.53.

Business/Public Service Permits/Doctors/Contractors proposals.

- 3.4.3 Electric vehicles – there will be an increase from £20 to £100 for 12 months to reflect the customer shift from higher emitting bands to electric band and the use of kerbside provision.

Public Service Permits proposals.

- 3.4.4 In 2021-22 we introduced a surcharge for contractors permits which allows parking anywhere within the borough. Therefore, we are proposing to introduce the same surcharge for public service permits (£210 for 12 months).

- 3.4.5 Paid for Parking (previously Pay & Display)

The average increase proposed across paid for parking is in line with inflation and appropriate rounding.

- 3.4.6 Administration Charges

The average fee increase proposed for suspensions, permit refunds, dispensations and skip licences is in line with inflation and appropriate rounding.

Operational services (Appendix 1, section 3.2)

3.4.7 Commercial waste collection charges have not been increased. This is to ensure that the service can remain competitive within the current marketplace, which has been impacted by Covid-19.

3.4.8 Charges for collection of household bulky waste, over and above two free collections have been increased in line with CPI. In addition, we have increased our rates (in line with inflation) for commercial bulky waste collections, the supply of metal waste containers and supply of composters and wormeries.

Transportation and Highways (Appendix 1, section 3.3)

3.4.9 It is proposed to increase most fees for Traffic Management Orders and various highways licenses by a minimum of CPI following a benchmarking exercise.

Street Trading (Appendix 1, section 3.4)

3.4.10 The Council charges fees to traders at markets in the Borough.

3.4.11 Revenue from the markets funds the service operation, providing officers to manage and administer the markets along with cleansing and waste activities.

3.4.12 A benchmarking exercise with neighbouring boroughs has shown that Tower Hamlets has the lowest fees for traders.

3.4.13 To keep the markets viable in the long term, it is essential the fees are set at the right level, providing a quality service to customers, and helping the traders ensure their business remains financially viable.

3.4.14 The indicative price increases are to ensure that the Markets Account is sustainable.

3.4.15 The indicative fee increases are in the main reflecting CPI. There are some higher indicative increases which make the fee structure clearer, and some charges have been added that were missed from the 2021-22 fees schedule due to the large number of new fees introduced in 2021-22.

3.4.16 Section 32 of the London Local Authorities Act 1990 (LLAA 1990) allows the authority to set fees and charges for street trading and temporary licences. The regime is intended to recover the costs incurred by the authority for

matters such as street cleaning, enforcement, waste collection and administration.

- 3.4.17 Recommendation 6 requests the Mayor in Cabinet to approve the commencement of the consultation process in respect of Street Trading fees and charges and to delegate the consideration of any representations and the determination of the decision to the relevant Corporate Director in liaison with the Lead Member and the Mayor prior to any changes in fees and charges.

Environmental Health and Trading Standards (Appendix 1, section 3.5)

- 3.4.18 An additional charge has been added to recover costs for food export certificates from businesses due to Brexit.
- 3.4.19 The fee levels will ensure full recovery of costs and are comparative to other local authority charges.

Planning and Building Control (Appendix 1, section 3.6)

Planning and Building Control

- 3.4.20 Planning and Building Control (P&BC) continue to review their fees and charges on a yearly basis. For 2022-23 the division have completed a more detailed review, post-pandemic, of the position with all discretionary fees and charges. P&BC is increasingly income funded and as it has become more income reliant there is a clear onus on the division to ensure it is both covering its costs where possible and remaining efficient, effective and competitive.
- 3.4.21 Overall, weighing up current fee levels, assessing the service we can offer at present and the robustness of a competitive trading environment in Building Control it is considered prudent to contain most fees and charges to inflationary increases only at this time. This includes all Street Naming & Numbering and Local Land Charge Service charges where the council is either the highest or close to the highest fees in its benchmarking group.
- 3.4.22 The one area where the review has revealed opportunities for some fees to be introduced is in Development Management.

Development Management

- 3.4.23 The development industry continues to respond robustly to the pandemic in Tower Hamlets and, while we have seen a levelling off in applications submitted, the pre-application environment remains healthy with the section continuing to schedule and hold meetings on significant scheme proposals pre-application.
- 3.4.24 Pre-application fees were last reviewed extensively in 2019-20 and these fees have been settling in over the last 12 to 18 months. Benchmarking carried out in February 2021 shows that Tower Hamlets fees for pre-application advice

remain in the higher cost bracket for our largest fees, when compared with a group of 6 other inner central London boroughs. This year fee increases are proposed only for those strategic pre-application fees at Scale E to enable us to ensure service costs are covered. New fees were introduced for introductory meetings with the Director and/or Head of Service. These have proved attractive to the development industry and several pre-application projects have commenced with a charged meeting that would previously have been offered with no charge.

3.4.25 The new Planning Performance Agreement (PPA) Administration & Monitoring fees charged for the first time last year have settled in well with developers. Benchmarking suggests that there is scope for further adjustments to align more closely with the approach of comparable inner central boroughs. Five out of seven comparable boroughs do not publish fixed charges for PPA fees and take a bespoke case by case approach based on likely resourcing costs. These fees are therefore proposed to be increased by 20% for PPA Majors (Strategic) and 33% for PPA Majors (Others), to enable us to ensure service costs are covered. The PPA administration fee for individual sites will be clarified as being a minimum with the scope to build a bespoke fee comprised of the standard meeting fees for the relevant scale of development, bringing LBTH approach into line with peer authorities.

3.4.26 When we have previously consulted with the developers' forum about the principal of a new suite of charges for management and administration of PPA and the idea of a bespoke product, we had no comments in objection. We have also not had concerns raised about increases in pre-application fees however the emphasis from the industry has been a request to ensure that the service provided meets the expectations. To date these have proved workable and we continue to offer and develop this service.

3.4.27 For 2022-23 some changes are proposed to the PPA fees. The dedicated case officer PPA fee, for multiple sites or projects with the same developer will be increased to include a contribution towards the cost of senior management oversight required in addition to the current approach of covering the salary and on-costs of a Principal Planner. Hence the proposal is to increase this from £70,000 to £90,000.

3.4.28 The PPA administration fee for individual sites will be clarified as being a minimum with the scope to build a bespoke fee comprised of the standard meeting fees for the relevant scale of development, bringing LBTH approach into line with peer authorities.

Building Control

3.4.29 Building Control must carefully manage any ambition to increase fees with the likelihood of an impact on its competitiveness and attractiveness to companies seeking a building control provider. In the current trading conditions, it considers fees can only be increased by inflation in a bid to

remain competitive. Strategic Planning has few fee raising opportunities with it currently being limited to charging for documents and other materials. These will increase by inflation. There are a few additional fees in Infrastructure Planning.

Venue Hire (Appendix 1, section 3.7)

3.4.30 The council owns a network of community hubs and other buildings with spaces for hire across the borough, the majority of which are managed by the council's Facilities Management Team. There is currently an advertisement published to give opportunity to potential community groups to apply for management of the Mayor's sites, this is expected to conclude at the end of September. There may be a requirement to extend or re-launch the procurement if the uptake is not satisfactory. The other sites are currently being let through the event agent TAG, where there is a 10% levy on the bookings (this is included in the proposed fees). The team are looking at advertising and marketing these sites better to avoid booking agents where possible.

Community hubs

3.4.31 Should any of the Community Hubs remain the responsibility of Facilities Management in 2022-23, consistent charging would apply to all the community hubs, with lower rates for residents, community groups and charities than for commercial hire.

Other council owned venues for hire

3.4.32 The following venues are targeted towards commercial hirers, but we welcome enquiries from residents and charity groups who we would look to offer a discount to.

Haileybury Centre

3.4.33 Enquiries for the use of this venue is high as it has a multi-versatile space that meets various needs of the local community and businesses. Hire of the football pitch incurs the rate that reflects the requirement to have staff on site to manage the building security; having a security presence on each floor increases the hire fee.

Jack Dash House

3.4.34 This venue is one of the venues priced at a commercial rate, similar to industry standard for this type of venue, and targeted towards commercial hirers. The venue's close proximity to the Canary Wharf business hub enables the charges to be at commercial rates. Enquiries from residents and charity groups are welcomed and discounts for these groups may be available. Some of the site is currently partially let to commercial companies.

Bethnal Green Library

3.4.35 This venue is priced at a commercial rate, similar to industry standard for this type of venue, and targeted towards commercial hirers. The venue's recent refurbishment and design of the space has encouraged take up. The venue holds a licence to host wedding ceremonies, and this contributes to the

commercial rate pricing. Enquiries from residents and charity groups are welcomed and discounts for these groups may be available.

Limehouse Centre

- 3.4.36 Enquiries for the use of this venue is high as it has a multi-versatile space that meets various needs of the local community and businesses as the centre has very close proximity to transport links. The climbing wall is available to hire, subject to a certified or qualified instructor being on site for the duration of the hire.

Harford Community Centre

- 3.4.37 This is a multi-versatile space that meets the various needs of the local community and businesses. It has 2 large multi-purpose spaces that can be divided down, meeting rooms, breakout spaces, optional kitchen facilities, storage, Wi-Fi and multimedia facilities. In addition to the Private/Commercial and Community rates, the centre offers a special 'start up' rate which is intended to attract new community groups and organisations, by discounting the Community rate for up to 6 months.

3.5 RESOURCES

Registration of Births, Deaths & Marriages (Appendix 1, section 4.1)

- 3.5.1 The Registration & Citizenship Service has several fees and charges 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. Having reviewed the current service's charges and those of a sample of other London Boroughs, some increases are proposed that ensure the service remains competitive in the non-statutory services it offers and can meet its income budget targets.
- 3.5.2 The service has moved from Bromley Public Hall to the newly refurbished St George's Town Hall, which has improved opportunities for revenue generation from ceremonies and events. The fees and charges schedule has been updated to show the new charges at the new venue. Work is underway to develop further packages for weddings and civil ceremonies, which will be introduced and agreed through the requested delegated authority to the Corporate Director Resources and Governance, in liaison with the Lead Member and Mayor.

Council Tax and Business Rates (Appendix 1, section 4.2)

- 3.5.3 Court costs are charged to both Council Tax payers and Business Rates payers when they default on their payment schemes and it becomes necessary to take enforcement action to secure the Council's position and obtain a liability order to recover any outstanding sums.

- 3.5.4 There have been a number of high profile legal challenges to court costs charged by local authorities. The current charges already place the authority at the higher end when compared with other London Boroughs. Any increases to this charge would need to be agreed by the Courts and it is not proposed to increase charges at the moment due to the impact of the pandemic on local residents and businesses.

Idea Stores and Idea Stores Learning (Appendix 1, section 4.3)

- 3.5.5 The service has reviewed the fees and charges across Idea Stores, Local History Library and Archives, and Idea Store Learning. Fees have been increased in line with inflation (and appropriate rounding) and updated to take account of the digitalisation of records (and provision of information in wider digital formats as well as traditional printed image reproduction). New charges are being introduced for the administration and preparation of educational events, increased services for remote orders including postage, and historical record-keeping advice to local organisations by an archivist.

3.6 CHIEF EXECUTIVE'S OFFICE

Academy Conversions (Appendix 1, section 5.1)

- 3.6.1 Once a school has government approval to convert to academy status, the Council must support the conversion process. An academy conversion requires input from a range of council services with no additional funding from central government. The costs associated with the conversions have exceeded the current charge levied, with the legal costs alone exceeding the fees with the complicated process of land transfer and compilation and agreement of the commercial transfer agreement. The new proposed fees are £10,000 for non-PFI schools and £12,500 for PFI schools. The DfE currently award a grant of £25,000 to support the school in the costs of conversion so this would support the school in meeting the cost of the conversion.

4 EQUALITIES IMPLICATIONS

- 4.1 The Equality Act 2010 requires the Council, in the exercise of its functions to have due regard to eliminate unlawful discrimination, harassment and victimisation, advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not.
- 4.2 Tower Hamlets is a dynamic place where a thriving economy co-exists with high levels of poverty. The Council is working to make the borough a safer, cleaner and fairer place to live and improve outcomes for local people however inequalities still exist. The borough is the second most densely populated local authority in the country. There are significant health problems and the borough has the lowest life expectancy rates in London (disability-free) and 43 per cent of Year 6 children are overweight or obese. Tower Hamlets has the highest rates of child poverty in England at 32.5% and half of all residents aged 60+ live below the poverty line (highest proportion in

England and more than double the average). Coupled with this is the fact that Tower Hamlets has one of the fastest growing populations in the UK.

- 4.3** These inequalities and rapid growth mean that ensuring equality is embedded throughout Council plans, services and activities is the number one priority and at the heart of all decision making. To help meet its duty under the Equality Act, on all proposed changes, the Council undertakes an equality impact screening and where appropriate a full Equality Impact Analysis to determine whether the proposal will have a disproportionate impact on persons who share a protected characteristic and to also outline actions to mitigate against the equality risks.
- 4.4** Fees and charges are reviewed annually as part of the Council's budget setting 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.
- 4.5** In addition, there are a number of new fees and charges as well as increases to fees and charges above inflation (and appropriate rounding). Equality Impact Analysis (EIA) Screenings were undertaken on all the proposed changes to, and introduction of new, fees and charges. The following table indicates which proposed fees and charges will need to undergo a full Equality Impact Analysis before being introduced in order to determine if there are any disproportionate impacts on persons who share a protected characteristic, and where appropriate, identify and take actions to mitigate against the potential impact.

Service	Description of fee and charge	2021-22 Actual Charge £	2022-23 Proposed Charge £
Parking	Residents permits - Electric - 12 Months, subject to documentation	10.00	30.00
Parking	Residents permits - Motorcycle - 12 months	20.00	35.00
Parking	Residents permits - Electric - 3 Months, subject to documentation	New charge	40.00
Parking	Business/ Public Service / Contractor / Doctor's permits - Electric - 6 Months, subject to documentation	New charge	60.00
Parking	Business/ Public Service / Contractor / Doctor's permits - Electric - 12 Months, subject to documentation	20.00	100.00

- 4.6** Furthermore, section 3.4 of Appendix 1 details indicative changes to Street Trading fees and charges. Recommendation 6 requests the Mayor in Cabinet to approve the commencement of the consultation process in respect of Street Trading fees and charges and to delegate the consideration of any representations and the determination of the decision to the relevant Corporate Director in liaison with the Lead Member and the Mayor prior to any changes in fees and charges.

- 4.7 Increasing pressures on the Council's limited finances mean that the Council needs to continue making savings in the next three years. This is a major challenge for the Council which needs to consider every penny spent while ensuring that equality remains at the heart of all decision making. 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.

5 COMMENTS OF THE CHIEF FINANCE OFFICER

- 5.1 All directorates have undertaken a review of their fees and charges as part of the annual budget setting process. In general, fees and charges recover some or all of the costs of providing services. This generates income which reduces the cost of services borne by Council tax payers and can also be used to achieve other strategic objectives, such as encouraging the use of particular services. A decision to charge for, or subsidise, services needs to be based on rational considerations.
- 5.2 In general, it is proposed that discretionary fees and charges are increased by a minimum of inflation, unless there is a compelling reason for not increasing at all or increasing by a greater amount.
- 5.3 The total amount of income generated through fees and charges will depend on price as well as activity. The MTFS assumes income increases within the General Fund totalling £420k for 2022-23 which contribute towards meeting the overall budget gap.
- 5.4 The level of income is approximately £30m, however the Covid-19 pandemic has had a significant impact on income received. The government has announced to date replacement funding for approximately 70% of the income lost for specified areas of sales, fees and charges until the end of June 2021.
- 5.5 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 and alternative savings will need to be found to cover the General Fund budget gap. 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.

6 COMMENTS OF LEGAL SERVICES

- 6.1 The Council has in place a range of fees and charges relating to services it provides. In respect of certain fees and charges, the level of fees and charges is prescribed by statute and in those cases, there is no discretion as to the level of charge.
- 6.2 Under section 93 and 94 of the LGA 2003, Local Authorities can charge for discretionary services, where it has the power to provide such services but is

not under any obligation to do so. The Authority must establish a robust methodology for assessing the cost it charges for such discretionary services and shall not charge such amount in order to make a profit. These fees and charges are reviewed annually and the Council has the power to recharge for these services.

- 6.3** Some of the services referred to in this report are provided by the Council at the Council's discretion i.e., there is no law obliging the Council to provide these services. However, where the Council has decided to provide these services the Council has the power to charge for these services provided that the level of fees and or charges does not exceed the cost of provision of these services. This report also confirms that the proposed increases accord with the law in this regard.
- 6.4** Section 32 of the London Local Authorities Act 1990 (LLAA 1990) allows the authority to set fees and charges for street trading and temporary licences. The regime is intended to recover the costs incurred by the authority for matters such as street cleaning, enforcement, waste collection and administration.
- 6.5** S.32(7) requires notice to be given to the licence holders or a body representative of licence holders and to publish a notice of the proposed charges in a newspaper or newspapers circulating in the area of the licence streets to which the charges will apply. The notice must also include a statement of how the charges have been calculated.
- 6.6** At least 28 days from the date of the publication of the notice must be allowed for representations to be made, which may be extended and any representations received within the specified period must be considered before a final decision is made. The fees and charges, once determined, need to be published in a newspaper or newspapers circulating in the area of the licence street to which the charges will apply.
- 6.7** In carrying out its functions, the Council must comply with the public sector equality duty set out in section 149 Equality Act 2010. This requires it to have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, to advance equality of opportunity and to foster good relations between persons who share a protected characteristic and those who do not. This duty extends to all decision making including the setting of fees and charges and is reflected at paragraph 4 of the report.
- 6.8** Paragraph 4.5 of the report explains that Equality Impact Analysis screenings have been undertaken in respect of all proposed increases to fees and charges. Further, a number of fees and charges are identified in tabular form as requiring a full Equality Impact Analysis to be undertaken prior to the introduction of the fees and charges. This is required in order to assess any disproportionate impacts upon individuals that share particular protected characteristics in compliance with the Act.

- 6.9** Recommendation 5 of the report seeks authority for any consequential amendments required to fees and charges arising from any Equality Impact Analysis undertaken to be delegated to the relevant Corporate Director in liaison with the Lead Member and the Mayor. This accords with the provisions set out in the Council's Constitution.
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Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- Appendix 1 – Discretionary Fees and Charges
- Appendix 2 – Statutory Fees and Charges

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

- None

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