


<b>Cabinet</b>  <b>07 January 2015</b>	 <b>TOWER HAMLETS</b>
Report of: <b>Chris Holme, Interim Corporate Director of Resources</b>	Classification: <b>Unrestricted</b>
<b>Fees and Charges 2015-16</b>	

Lead Member	<b>Cllr Alibor Choudhury - Cabinet Member for Resources</b>
Originating Officer(s)	<b>Barry Scarr - Interim Service Head, Finance and Procurement</b>
Wards affected	<b>All</b>
Community Plan Theme	<b>One Tower Hamlets</b>
Key Decision?	<b>Yes</b>

## 1. SUMMARY

1.1 This report details the proposed changes to fees and charges across all directorates, to take effect from 1<sup>st</sup> April 2015 or at the earliest opportunity.

1.2 Fees and charges 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 the statutory charges have been included in the appendices (see Appendix 5) to provide the overall picture for the Council.

1.3 The level of inflation (CPI = 1.5%, RPI = 2.4% as at August 2014) is a key factor in determining any recommended changes. However, as the report points out there are several other factors that directorates have considered including service demand, the projected cost of providing the different services and the impact of the general economic situation on the Council's residents.

## 2. RECOMMENDATIONS

The Mayor in Cabinet is recommended to:

### Communities, Localities and Culture

Approve the revised fees and charges as set out in **Appendix 1** with effect from 1<sup>st</sup> April 2015.

### Development and Renewal

Approve the revised fees and charges as set out in **Appendix 2** with effect from 1<sup>st</sup> April 2015.

## Education, Social Care and Wellbeing

Approve the revised fees and charges as set out in **Appendix 3** with effect from 1<sup>st</sup> April 2015.

## Law, Probity & Governance

Approve the revised fees and charges as set out in **Appendix 4** with effect from 1<sup>st</sup> April 2015.

## Licensing Charges

Agree in principle the Licensing charges in **Appendix 6** and refer to the Licensing Committee for final approval.

### **3. REASONS FOR THE DECISIONS**

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

### **4. ALTERNATIVE OPTIONS**

- 4.1. 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. The financial impact of any alternatives will need to be reflected in the Council's Medium Term Financial Plan (MTFP).

### **5. BACKGROUND**

- 5.1. The application of fees and charges has an important role to play in helping the Council to 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.
- 5.2. The Council is committed to optimising its income in a fair and proportionate way.
- 5.3. The authority currently generates in the region of £30m through fees and charges, in the main through parking £15.4m, school meals £3.2m, street trading £2.3m, commercial waste £2.9m and planning and building control fees £3.8m. 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.
- 5.4. 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.

- 5.5. 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.
- 5.6. The table below sets out the key principles guiding the Council's approach to charging for services.

<b>Fairness</b>	<b>Rationale &amp; Prioritisation</b>	<b>Stability &amp; Predictability</b>
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

- 5.7. 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.
- 5.8. The general rule is that except in very particular circumstances fees and charges may not be set at such a level as to generate a surplus. Again there are exceptions to this.
- 5.9. Set out below is a more detailed narrative on the outcome of the review process within each directorate. The report sets out where special circumstances apply.

## **6. COMMUNITIES, LOCALITIES AND CULTURE**

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

- 6.1. 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
- 6.2. It is unlawful to set parking charges for the purpose of raising revenue, as has been reinforced by two judicial reviews (Cran v Camden 1998 and Attfield v Barnet 2013).
- 6.3. The purposes behind setting parking charges are:
- a) To control and manage parking demand.
  - b) To ensure road safety in the borough.
  - c) To regulate traffic flow and reduce congestion.
  - d) 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.
- 6.4. Income from fees and charges generate a total of £8.3m 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.
- 6.5. 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. Therefore, where it is appropriate, some charges have been increased in line with RPI, and others have been increased above RPI. Where charges have been increased above RPI, consideration has been given to limit the impact of these increases in light of the continuing economic difficulties faced by businesses and residents.

6.6. Increases include the following:

<b>Fee/charge</b>	<b>Change</b>	<b>Rationale</b>
<b>Resident Permits (Bands A-G relating to engine size)</b>	Between £1 and £2 increase for 6 months and between £1 and £4 increase for 12 months	To ensure the continued delivery of a)-c), an increase in line with RPI is required
<b>Business/ Public Service/ Contractor/ Doctor Permits</b>	Between £17 and £25 increase for 3 months; between £25 and £37 increase for 6 months and between £41 and £60 increase for 12 months. (All subject to documentation supplied)	To ensure the continued delivery of a)-c), an increase of RPI plus 5% is required
<b>Pay and Display</b>	Between 30p and 40p increase per hour. Zonal differential	To ensure the continued delivery of a)-c), an increase of RPI plus 5% is required
<b>Market Trader Permit</b>	£13 increase for 3 months; £22 increase for 6 months and £35 increase for 12 months	To ensure the continued delivery of a)-c), an increase of 5% (and in line with RPI) is required
<b>Bay Suspension Charges (day rate)</b>	Between £10 and £17 increase per day, for businesses and companies. Zonal differential	To ensure the continued delivery of a)-c), an increase of 5% (and in line with RPI) is required
<b>Dispensation Charges (day rate)</b>	Between £10 and £17 increase per day, for businesses and companies. Zonal differential	To ensure the continued delivery of a)-c), an increase in line with RPI is required, together with the introduction of a single flat rate across the borough
<b>Bay Suspension (admin charge)</b>	Increase from £55 to £82, for businesses and companies	To ensure the continued delivery of a)-d), an increase in line with RPI is required that also reflects the current cost to the service
<b>Dispensation (admin charge)</b>	Increase from £55 to £57, for business and companies	To ensure the continued delivery of a)-d), an increase in line with RPI is required that also reflects the current cost to the service
<b>Visitor Scratch Card Permits</b>	£5 increase per book (with each Scratch Card lasting 6 hours rather than 5)	To ensure the continued delivery of a)-c), an increase to bring charges in line with other authorities' charges is required
<b>Skip Licenses</b>	Between £10 and £17 increase per license, for all zones. Zonal differential	To ensure the continued delivery of a)-c), an increase in line with RPI is required, together with the introduction of a single flat rate across the borough

6.7. New charges include the following:

<b>Fee/charge</b>	<b>Description</b>	<b>Rationale</b>
<b>Resident Permits</b>	£6 per electric vehicle £6 per Band A vehicle	To ensure the continued delivery of d), the introduction of a single flat rate across the borough is required
<b>Business/ Public Service/ Contractor/ Doctor Permit</b>	£6 per electric vehicle	To ensure the continued delivery of d), the introduction of a single flat rate across the borough is required
<b>Bay suspension (admin charge)</b>	For residents, the NHS, police the fire brigade and registered charities: £82, one off fee	To ensure the continued delivery of d), the introduction of a single flat rate across the borough is required
<b>Dispensation (admin charge)</b>	For residents, the NHS, police the fire brigade and registered charities £18, one off fee.	To ensure the continued delivery of d), the introduction of a single flat rate across the borough is required
<b>Skip licence Administration Charge</b>	For residents and contractors. All areas of the borough at £18 per licence	To ensure the continued delivery of d), the introduction of a single flat rate across the borough is required

### **Clean and Green (Appendix 1, section 1.2)**

- 6.8. The council has a duty to collect commercial waste when requested to do so and must make a charge for that collection; this includes an annual review of charges in line with the authority's fees and charges policies.
- 6.9. The Commercial Waste service provides income to the Council to ensure that the collection and disposal of commercial waste is not levied in any way on the residents of Tower Hamlets, therefore the pricing structure for the service must take account of increases in all cost elements of the service provision, for example the cost of waste disposal and collection.
- 6.10. With this in mind, uplifts need to be applied to the fees and charges for commercial waste in 2015/16. 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 2015/16 is anticipated to be 2.4%, which will generate £35k per annum, needs to be applied to ensure the recovery of costs.
- 6.11. Alongside this charge the disposal costs of commercial waste are due to increase from £94.75 per tonne to £99.69 per tonne in 2015/16 for the gate fee. This equates to a further increase of 5.21%, which also needs to be applied to the uplift, generating £112k per annum for the service, to ensure all costs related to the collection and disposal of commercial waste is recouped.

### **Transport and Highways (Appendix 1, section 1.3)**

- 6.12. There is no proposed increase in fees and charges relating to street works, Traffic Management Orders and services which manage highway inquiries including the Expedited Highways Enquires Service.

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

- 6.13. The Street Trading Account operates in accordance with the London Local Authorities Act 1990 (as amended), which stipulates what charges can be made to the account. These charges are kept under regular review to ensure that all relevant expenditure is recovered via fees and charges. If income exceeds expenditure, the surplus accruing should be reinvested in the operation of the Street Markets, any deficit on the account should be recovered as soon as practicable.
- 6.14. The Street Trading Account generates £2.3m through fees and charges, within markets. However, there has not been any change to fees and charges since 2009 whilst the costs to markets have increased year-on-year. An increase is needed to fees and charges to help fund mayoral manifesto commitments around markets and to deliver the Council's market strategy. If fees and charges are not increased for the financial year 2015/16 the trading account runs the risk of going into deficit.
- 6.15. Service data indicates strong evidence that the historical demarcation lines of each market no longer represent the true cost of managing the impact of the market and therefore need revision. This is highlighted within the findings from the consultation undertaken on the Whitechapel Master plan, which identified high levels of dissatisfaction with perceived levels of environmental stress resulting from the presence of the market.
- 6.16. Recent analysis has identified that the area of impact surrounding each market should be expanded to take account of the areas of the public realm that have been adversely impacted by market operations. This opportunity would shift the burden of service provision from the general fund to the Street Trading Account. This can only be achieved if additional income can be generated through fees and charges for the Trading Account to maintain its self-financing position.
- 6.17. To this end an increase of £2 per trader is proposed and that until the completion of work in the Whitechapel Market the increase will be phased.

### **Environmental Protection (Appendix 1, section 1.5)**

- 6.18. HMO Licenses - The charge to administer the service has only increased by inflation since 2006. The cost for the provision of the service has not been valued since that time. It is proposed that fees for the provision of the service in 2015/16 are increased e.g. from £422 to £520 for the main licence, generating £55,600 per annum, reflecting the true cost of the service to ensure cost recovery.
- 6.19. Animal Warden Services – The service is proposing to maintain a £50 charge to retrieve a dog from the pound. However, an additional daily fee of £12 is being proposed as well as charge for ancillary vet costs. The charge is being

introduced to address the real cost of keeping dogs and the associated ancillary vet costs. This will ensure costs are properly recovered.

- 6.20. All other increases in environmental protection are in line with inflation only, to ensure cost recovery.

#### **Pest Control (Appendix 1, section 1.6)**

- 6.21. The charge for bedbugs does not reflect the true cost of the service provided. The charge was set on the basis of a single visit, however practise has shown that often more than one visit is required especially if there is heavy infestation and insecticide resistance. Benchmarking has shown that the current charge of £94 per visit is well below the London Average. Therefore to reflect the additional visit a charge of £141 is being proposed to ensure cost recovery.
- 6.22. All other Pest Control fees and charges are proposed to be increased by the rate of Inflation, to maintain cost recovery performance.

#### **Environmental Commercial (Appendix 1, section 1.7)**

- 6.23. Inflationary increases are proposed to all Environmental Commercial fees and charges that are not set statutorily, in order to maintain cost recovery performance.

#### **Idea Store and Idea Store Learning (Appendix 1, section 1.9)**

- 6.24. It is proposed that library charges remain unchanged in 2015/16, with the exception of an introduction of charges for notifications by post for overdue items and a new charge for A4 colour printouts.
- 6.25. 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.
- 6.26. 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 fee and income from people who can afford to pay and use where possible to extend provision to those who cannot.
- 6.27. 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 those in receipt of universal credit or on income less than £21,000. The council will be asking to see proof of 3 months bank statements or benefit documentation to ascertain level of individual income.



6.28. The new fees are:

- £1.00 per hour for non-accredited ESOL courses for those in receipt of Universal Credit
- £2.00 per hour for non-accredited ESOL courses for full fee payers
- £3.50 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 - £2.00 per hour for non-accredited courses (except ESOL courses) for those in receipt of specified benefits
- £2.50 - £4.00 per hour for non-accredited courses (except ESOL courses) for full fee payers

6.29. The fees and charges increases will generate approximately £200,000 which will increase in the following years and offset the SFA grant reduction. The new fees structure will create sustainability for the provision of adult learning and training in future years. The additional benefit will be used for the purposes of economic regeneration, through the provision of courses that enable activities to be tailored to training and getting people into work. The provision will also enable members to target resources to where the need is greater. Furthermore, it will act as a buffer that enables the re-investment of resources into the areas where the SFA grant funding reduces in future years.

6.30. 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 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.

6.31. The revised fee structure will allow Idea Store Learning to expand the range of free to Learner provision where appropriate. Idea Store Learning will be working in partnerships with third sector organisations. The utilisation of shared contributions will ensure sustainable free programmes are maintained for the widest range of need and maximise the impact of the Skills Funding Agency Funding. Idea Store Learning is looking at linking fee waivers to other council provided benefits.

### **Sports Pitches (Appendix 1, section 1.10)**

6.32. Pitch fees for borough teams have not been increased in the last ten years, whilst facilities and the quality of pitches have consistently improved during this time and charges are now in some instances out of step with neighbouring boroughs. A 10% increase was applied to the fees charged to out of borough teams in

2014/15, whilst in borough team charges remained static. It is recommended that fees charged to out of borough teams increase by 2.4% in line with inflation, whilst fees charged to in borough teams remain unchanged.

## **7. DEVELOPMENT & RENEWAL**

### **Appendix 2**

- 7.1. 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. Last year Planning Statutory fees were increased by 15% (under the Town and Country Planning Regulation 2012) following a government announcement.
- 7.2. For 2015/16 the fees and charges will largely be increased by inflation.
- 7.3. Building Control trading 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. A structural review is underway and where appropriate any increases will be delivered in the new financial calendar year.
- 7.4. 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.

## **8. EDUCATION, SOCIAL CARE AND WELFARE**

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

- 8.1. 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 in the region of £300k-320k per annum, depending on fluctuating levels of uptake.
- 8.2. 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.
- 8.3. There are no proposals to increase prices during 2015/16.

### **Day care Services (Appendix 3, section 3.2)**

- 8.4. Day 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.
- 8.5. Charges are however levied on clients attending LBTH day care centres where the placement is made by another local authority.

- 8.6. Current charges range from £44.20 to £64.29 per day, depending on which centre clients attend, and this generates approximately £10k per annum.
- 8.7. The current charges are already believed to be competitive and thus no further increases are proposed for 2015/16.

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

- 8.8. 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.
- 8.9. The cost of extra care for supported living clients, although uncapped, is also means tested using our fairer charging policy.
- 8.10. 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 2015/16. Thus current income levels of £400k per annum are not expected to change during 2015/16.

**School Meals (Appendix 3, section 3.4) [Trading Account]**

- 8.11. 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 continued to carry out a number of efficiency projects in order to generate savings for the Council and secure a viable future for the service. These efficiencies have been realised to date with the service currently projecting a surplus at year end. A request will be made to reinvest any surplus into the service.
- 8.12. Budgetary research and planning has indicated that the global cost prices of food are likely to remain on par during the course of 2015/16. 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.
- 8.13. The contract price charged to schools is not the price charged to pupils which has been recommended to remain the same at £1.90 and £2.00 per meal (primary and secondary respectively) for 2015/16.

- 8.14. The price charged to schools, which will be considered by Schools Forum, is proposed to also remain the same for 2015/16 with a further review in twelve months' time.

**Arts and Music (Appendix 3, section 3.5)**

- 8.15. There are no proposals to increase fees and charges for activities provided by The Tower Hamlets Arts and Music Education Service (THAMES). However, it may be necessary to review these charges in the next financial year, should the Government reduce the grant that supports the service.

**Holiday Childcare schemes (Appendix 3, section 3.6)**

- 8.16. The Council runs childcare schemes during school holidays for both working and non-working parents.
- 8.17. 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. These charges generate approximately £50,000 per annum.
- 8.18. 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.
- 8.19. It is therefore proposed not to increase the fees for 2015/16. The service would continue to be subsidised by the council to cover the additional running costs which are in the region of £120,000.

**Day Nurseries (Appendix 3, section 3.7)**

- 8.20. The Day Nurseries 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.
- 8.21. 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.
- 8.22. There are no proposals to increase prices during 2015/16.

**Support Services to Academies and Free Schools (Appendix 3, section 3.8)**

- 8.23. 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](http://www.lbthservicesforschools.co.uk). These services are charged on a full cost recovery basis.
- 8.24. 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.

## **9. LAW, PROBITY AND GOVERNANCE**

### **Electoral Services (Appendix 4, section 4.1)**

- 9.1. The Electoral Services generates approximately £4,000 per annum through fees and charges. Prices were last increased in 2013/14 and no further increases are proposed in 2015/16.

### **Registrars Services (Appendix 4, section 4.2)**

- 9.2. Registrar's Services currently generates approximately £700,000 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.
- 9.3. Prices were last increased in 2012/13 and following this year's review it is proposed to increase all fees and charges to bring them in line with other London councils. This will help the service work towards achieving a cost neutral position over the long term and assist with inflationary pressures. Currently the general fund provides around £543,000 of funding towards the total cost of running the service.
- 9.4. A number of new services are also being introduced to provide Marriage and Civil Partnership Ceremonies at licenced venues. Charges for these are based on market testing and in line with charges levied by neighbouring boroughs.

## **10. RESOURCES**

- 10.1. There are no fees and charges for consideration.

## **11. COMMENTS OF THE CHIEF FINANCIAL OFFICER**

- 11.1. 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 5.6.
- 11.2. 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.
- 11.3. 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.

11.4. If it is decided not to increase charges in line with inflation, this will generally have the impact of increasing the level of subsidy provided by the Council to service users. Once a decision is made to freeze charges, it is difficult to recover the lost income without increasing costs by more than inflation in a future period. The financial implications of freezing charges can therefore be regarded as permanent.

## **12. LEGAL COMMENTS**

12.1. The report proposes increases to existing discretionary fees and charges imposed by the Council or the introduction of new charges. As a general approach –

- To the extent that the report proposes leaving existing charges unchanged, the Council's relevant powers are not made the subject of detailed legal comments.
- To the extent that an inflationary increase is proposed to an existing charge, it will be for officers to ensure that such an increase is justifiable by reference to the constraints of the charging power relied upon.

12.2. 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.

12.3. 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.

12.4. The Environmental Information Regulations 2004 (EIR) place obligations on the Council to make environmental information available to the public. This includes the following information –

- The state of the elements of the environment, such as air and atmosphere, water, soil, land, landscape and natural sites including wetlands, coastal and marine areas, biological diversity and its components, including genetically modified organisms, and the interaction among these elements;

- Factors affecting or likely to affect the elements of the environment, such as noise or waste.
  - Measures (including administrative measures), such as policies, legislation, plans, programmes, environmental agreements, and activities affecting or likely to affect the elements of the environment and factors affecting them.
  - Cost-benefit and other economic analyses and assumptions used within the framework of these measures and activities.
  - Reports on the implementation of environmental legislation.
  - The state of human health and safety, including the contamination of the food chain, where relevant, conditions of human life, cultural sites and built structures inasmuch as they are or may be affected by the state of the elements of the environment or, through those elements, by any of the factors, measures or activities referred to above.
- 12.5. The Council is permitted to charge a reasonable amount to applicants who request environmental information, but may not charge for allowing an applicant: (1) to access any public registers or lists of environmental information held by the Council; or (2) to examine the information at a place made available by the Council for that purpose. In the imposition of any of the discretionary charges proposed in the report for the provision of information, officers must take care that charges are only imposed in the circumstances permitted by the EIR.
- 12.6. In some instances, the report proposes new charges for discretionary services or for something that an individual would be able to charge for. These charges include –
- Charges for Idea Store Learning.
  - Hiring of sports pitches.
  - Support services to academies and free schools.
  - Street naming and numbering charges.
  - Pest control charges in respect of bedbugs.
  - Registrar services relating to marriage, civil partnerships and citizenships ceremonies venues, nationality checking, approved premises licences and naming pre application meetings.
- 12.7. Such charges would be covered by either section 93 of the LGA 2003 or section 1 of the Localism Act 2011. Officers must take care that the conditions set out in paragraphs 12.2 and 12.3 are complied with in respect of such charges and that it does not charge for access to information required to be free of charge under the EIR as outlined in paragraph 12.4.
- 12.8. In respect of some of the proposed charges and payments in the report, the Council's power to impose them arises from specific statutory powers (other than the general powers in section 93 of the LGA 2003 or section 1 of the Localism Act 2011). These are addressed in detail below, subject to the general approach set out in paragraph 12.1.

12.9. A number of increases are proposed to parking charges. It is also proposed to treat doctors' permits the same as business permits. Under sections 45 and 46 of the Road Traffic Regulation Act 1984, the Council may by order: (1) designate parking places on highways in Tower Hamlets for vehicles or vehicles of any class specified in the order; (2) make charges for vehicles left in a parking place so designated; (3) limit the use of designated parking places for specified persons or vehicles or classes of persons or vehicles authorised by permit; and (4) make charges in connection with the issue of such permits. The changes proposed fall within these powers.

12.10. The Council is a traffic authority for the purpose of the Road Traffic Regulation Act 1984 and has a duty to exercise its functions under that Act to secure expeditious, convenient and safe movement of vehicular and other traffic (including pedestrians). So far as practicable, the Council must have regard to the following matters when carrying out its functions under the Act (including the setting of charges) –

- the desirability of securing and maintaining reasonable access to premises;
- the effect on the amenities of any locality affected and the importance of regulating and restricting the use of roads by heavy commercial vehicles, so as to preserve or improve the amenities of the areas through which the roads run;
- the strategy prepared under section 80 of the Environment Act 1995 (national air quality strategy);
- the importance of facilitating the passage of public service vehicles and of securing the safety and convenience of persons using or desiring to use such vehicles; and
- any other matters appearing to the Council to be relevant.

12.11. It is proposed to increase the charges for commercial waste collection. Pursuant to section 45 of the Environmental Protection Act 1990, the Council is required to collect a reasonable charge for such collections. The Council has discretion to determine what constitutes a reasonable charge, although it should seek to avoid the imposition of unnecessary burdens on Council taxpayers. The increase in charges is intended to recoup all costs associated with the collection and disposal of commercial waste and, on that basis, may be considered consistent with the requirements of the legislation.

12.12. A number of increases are proposed to charges by the Council's street trading service. The Council is empowered by section 32 of the London Local Authorities Act 1990 to charge an amount to cover its reasonable administrative or other costs in connection with its street trading functions under Part 3 of the Act. This includes the grant or renewal of a licence or temporary licence or a variation to a licence. The Council may also charge for –

- Collection, removal and disposal of refuse or other services rendered to licence holders.
- Street cleansing attributable to street trading.
- Reasonable administrative or other costs incurred in connection with administration of Part 3 of the Act.
- The cost of enforcing Part 3 of the Act.



- 12.13. Before determining such charges, the Council is required to give notice to licence holders or to a body representative of them and to publish notice of the proposed charges circulating in the relevant areas in which the charges will apply. The notice must be accompanied by a statement showing how the charges have been calculated and the Council is required to provide further information or explanation if requested to do so. The Council must allow at least 28 days from the date of publication of the notice for people to make representations and must consider any representations made. Should the Council determine to impose the proposed street trading charges, then it is required to give notice of them and the date on which they are to be brought into effect.
- 12.14. The fee for licensing a house in multiple occupation (HMO) is to be increased to recover the true costs of the service. The Council may impose a fee pursuant to section 63 of the Housing Act 2004. When fixing fees, the Council may take into account all the costs it incurs in carrying out its licensing functions under Part 2 of the Housing Act. It may also take into account the costs of dealing with management orders in respect of HMOs under Chapter 1 of Part 4 of the Housing Act. Other costs should not be taken into account.
- 12.15. A fee is proposed for veterinary costs associated with keeping dogs at the pound. Pursuant to section 149(5) of the Environmental Protection Act 1990, the Council may charge the person claiming to be the owner all the expenses incurred by reason of a dog's detention plus a further prescribed amount (which has been set at £25 by the Environmental Protection (Stray Dogs) Regulations 1992). So long as the Council's fees do not exceed those two amounts for the dog in question, then the Council may charge the fee.
- 12.16. As the library authority for Tower Hamlets, the Council has a duty under the Public Libraries and Museum Act 1964 to provide a comprehensive and efficient library service. The Council is empowered under the Library Charges (England and Wales) Regulations 1991 ("the Library Charges Regulations") to charge for specified library facilities made available by it. The amount and incidence of any charge is at the Council's discretion. The proposed charges for notifications for overdue items and for A4 colour printouts fall within the categories of charges permitted under the Library Charges Regulations.
- 12.17. 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). Information is contained in the report relevant to these considerations.

### **13. ONE TOWER HAMLETS CONSIDERATIONS**

- 13.1. The Council has a statutory duty under the Equality Act 2010, the effect of which is summarised in paragraph 12.17 of the report.
- 13.2. Equality analyses have been undertaken for all services where fees and charge increases are proposed and linked to the delivery of savings (Appendix 7).

13.3. 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.

#### **14. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

14.1. There are no SAGE implications arising from the recommendations of this report.

#### **15. RISK MANAGEMENT IMPLICATIONS**

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

#### **16. CRIME AND DISORDER REDUCTION IMPLICATIONS**

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

#### **17. EFFICIENCY STATEMENT**

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

#### **18. 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 Education, Social Care and Wellbeing
- Appendix 4 Discretionary Fees and Charges within Law, Probity & Governance
- Appendix 5 Statutory Fees and Charges (All Directorates)
- Appendix 6 Discretionary Fees and Charges to be approved by Licensing Committee
- Appendix 7 Equality analyses

**Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012**

#### **LIST OF "BACKGROUND PAPERS" USED IN THE PREPARATION OF THIS REPORT**

Brief description of "Background Paper"

None