

<p>Cabinet</p> <p>27 January 2021</p>	
<p>Report of: Kevin Bartle, Interim Corporate Director of Resources</p>	<p>Classification: Unrestricted</p>
<p>Fees and Charges 2021-22</p>	

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	4 December 2020
Reason for Key Decision	Forms part of the Council's 2021-22 Budget
Strategic Plan Priority / Outcome	<ol style="list-style-type: none"> 1. People are aspirational, independent and have equal access to opportunities; 2. A borough that our residents are proud of and love to live in; 3. A dynamic outcomes-based Council using digital innovation and partnership working to respond to the changing needs of our borough.

Executive Summary

This report details the proposed changes to fees and charges across the Council for the financial year 2021-22.

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

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

Whilst the recommendations in this report relate to discretionary charges only, details of the key statutory charges have also been included in Appendix 6 to provide the overall picture on fees and charges across the Council.

The level of inflation (CPI 0.7% & RPI 1.3% in October 2020), 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 the 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, with effect from 1st April 2021, subject to the conditions set out in Recommendation 4.
2. Approve new discretionary fees and charges as detailed in the appendices, with effect from 1st April 2021, subject to the conditions set out in Recommendation 4.
3. Note the revised statutory fees and charges as detailed in Appendix 6.
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.

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 2021-22.
- 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 % 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 both hot meals to elderly and vulnerable adults at day centres. It is proposed for 2021-22 the charge per meal is increased in line with inflation from £5.30 to £5.40. The proposed charge ensures full cost recovery is still achieved.

Refreshments and Day Centres (Appendix 1, section 1.2)

- 3.2.2 Charges are levied on clients attending council run day care centres for refreshments from all those who attend.

Community Based Social Care Services and Residential Care Services (Appendix 1, 1.3)

- 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. Previously some elements had been separately listed within fees and charges, but they are now all included within the charging policy. 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 2, section 2.1)

- 3.3.1 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 exceed the Government's tough nutritional and food-based guidelines. However, it should be noted that Contract Services is operating at a significant loss. The contract price charged to primary schools is now £2.34 per child's meal and to secondary schools it is £2.60.
- 3.3.2 From September 2020 the price charged to Primary schools was increased to £2.34. This followed an IMD approval in August 2020. This was required because since UIFSM were introduced in September 2014, the price of a Primary School meal in Tower Hamlets has been pegged to the UIFSM price of £2.30. Following an announcement on the 14th July 2020 by the Education and Skills Funding Agency (EFSA) schools will now be funded £2.34 for each meal served to young children under the universal infant free school meals (UIFSM) scheme. UIFSM's provides funding for all government funded schools to offer free school meals to pupils in reception, year 1, and year 2. As a result of this increase, Tower Hamlets Primary School meal price was

increased from £2.30 to £2.34 in September 2020 for KS1 and KS2 pupils including Mayor’s free meals and all eligible free school meals.

- 3.3.3 It is proposed to increase the charge of the Adult meals price for both Primary and Secondary Schools to £2.70 from £2.60 excluding VAT. This compares favourably with other PAL (Procurement Across London) Councils as follows.

PAL Adult Meal Prices July 2020	NET	VAT	TOTAL
Greenwich	£ 2.50	£ 0.50	£ 3.00
Enfield	£ 3.00	£ 0.60	£ 3.60
Havering	£ 2.75	£ 0.55	£ 3.30
Tower Hamlets	£ 2.60	£ 0.52	£ 3.12
Thurrock	£ 2.40	£ 0.48	£ 2.88
Barking & Dagenham - Meal Deal	£ 2.50	£ 0.50	£ 3.00
Barking & Dagenham - Baguette/Sandwich	£ 2.00	£ 0.40	£ 2.40

- 3.3.4 From April 2021 Contract Services will only be operating in 2 Secondary schools therefore the pupil charge will remain the same £2.60. A variable meal pricing structure will be agreed for the two Secondary Schools that have an SLA “Management Only” Contract with Contract Services.

Arts and Music (Appendix 2, 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. Fee increases will be implemented at the beginning of the academic year 2021-22.

Parental Engagement & Support (Appendix 2, 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 to the service and now embedded supports efficient management and development of a differentiated pricing model.

3.3.8 The current charges will be increased for 2021-22 as follows: £7.00 per day for non-working parents, £14.50 or £20.00 per day (depending on level of income) for working parents between 9am and 5pm. £19.00 or £25.00 (depending on level of income) for an extended day 8am – 6pm.

3.3.9 The LA Holiday Childcare provision for 2021-22 for non LBTH residents will increase to £55.00 per child, per day.

Integrated Early Years' Service (Appendix 2, 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). Current rates are between £25 and £225. Given the difficult financial situation locally for early education settings (e.g. removal of LA top-up funding for nurseries from 1 April 2019), the IEYS is continuing to charge at this previous rate. The alternative to increasing fees 2021-22 is to stop the provision of centralised training and sign- post settings to private providers, consultants, online offers, etc.

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. Before increasing fees to the agreed rate, a consultation must be organised with all early education settings.

Support Services to Academies and Free Schools (Appendix 2, 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 2, 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 2, 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 astroturf 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. New charges are being introduced for specialist activities provided by the outdoor education service such as the Duke of Edinburgh award schemes. 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 2021-22 will be raised in line with the agreed inflationary increase, with the exception of 3 areas:

- Better Pay and Play annual memberships;
- Better Leisure Centre Holiday Play Scheme;
- GLL Swimming School.

Benchmarking has identified that Tower Hamlets charges for these activities / memberships are significantly below comparable market rates offered at neighbouring boroughs. The proposed price increases will still place Tower Hamlets in the bottom range of activity / membership fees when compared to other boroughs and continue to offer participants a range of benefits with the activity. The proposed price increases will make these activities more sustainable in an increasingly competitive local market and provide the Sport & Physical Activity service with a potential income share to contribute to covering the services direct delivery costs, particularly on-going weekly activities and the Summer programme.

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. Traditionally, the Summer programme has been offered free of charge to participants, to encourage participation from children and young people from disadvantaged backgrounds. Unfortunately, due to reductions in the service's general fund budget, these activities, including the Summer programme, will no longer be able to be delivered at no cost to the participants. The proposals introduce hourly, daily or weekly charges 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. It is proposed that 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 Outdoor Education Team. Open Bronze, Silver and Gold Expeditions will continue to be offered but on a cost recovery basis, which has necessitated an increase in the fees chargeable to young people.

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 will also charge a per participant fee to cover activity costs for coaches, venues, equipment and infrastructure. These weekly activities, sessions and events would now attract a per person charge ranging from £1 to £40 per hour, depending on the activity.

3.3.22 In addition, it is proposed that coaching and training courses, which offer attendance, certified and accredited outcomes attract a charge £30-£200 per course, depending on the course level and duration.

3.4 PLACE

Parking (Appendix 3, section 3.1)

3.4.1 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

3.4.2 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.

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

3.4.4 A full schedule of proposed Fees & Charges is included in Appendix 3.

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 than if they are subsidised using council tax or another general fund.

Permits

In order to help manage demand for spaces in the borough, it is proposed to increase the surcharge on 2nd permits at each property from £51 to £60, and the surcharge on 3rd permits at each property from £153 to £230.

Permits ranking per household	% of permits
1	70%
2	25%
3	5%
Grand Total	100%

It is proposed that the annual diesel surcharge is increased from £50 to £60. This is lower than in neighbouring boroughs, for example in Islington the surcharge is £120, in Hackney it is £100 and in Camden it ranges from c. £28-£102.

Tower Hamlets resident permit prices have not been reviewed in full for a number of years. This has led to the following anomalies:

- That the link between the cost of a six- and twelve-month permit is not uniform. For example, it is 61% more expensive to have a twelve-month permit than a six-month permit for vehicles in Band C, but 86% more expensive in Band G2.
- The cost of a permit in band A (lowest-emission, but non-electric vehicles) is lower than the cost of an electric vehicle permit
- That the cost of a six-month permit is the same as the cost of a twelve-month permit for electric vehicles and those in band A, but is higher in all other bands

It is proposed to rectify these anomalies by:

- Reducing the cost of electric vehicle permits by 9%, from £11 to £10 a year.
- Removing the option to purchase a six-month permit for an electric vehicle, the cost of just £10 a year is very low.
- Increasing the cost of the permit for vehicles in Band A to £20 a year in order to provide an incentive (albeit a small one) towards electric vehicle ownership.
- 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 the highest polluting vehicles. For this reason we are proposing implementing larger increases in permit prices for the most polluting vehicles.

The cost of each annual permit in 2020-21 and 2021-22, the change, and the percentage of permit holders in each band (bands are set in line with car tax, by emissions and engine size) is shown in the table below.

For the vast majority of permit holders the increase in cost will be less than 10 pence per day over the year. It's only for those in band F, G1 and G2 that the increase will be larger than this amount. There are less than 1,000 permit holders with the highest-polluting (band G1 and G2) vehicles in the borough.

Band	Engine size (cc)	CO2 (g/km)	2020-21	2021-22	Change in annual cost	Change in daily cost	% of permit holders
Electric	n/a	n/a	£11	£10	-£1		1%
A	n/a	<=100	£10.50	£20	+£10.50	+3p	14%
B	<=1100	101-120	£51	£60	+£9	+2p	20%
C	1101-1300	121-150	£64.50	£80	+£15.50	+4p	30%
D	1301-1600	151-165	£90	£100	+£10	+3p	14%
E	1601-1800	166-185	£114	£150	+£36	+10p	11%
F	1801-2000	186-225	£139	£200	+£61	+17p	8%
G1	2001-3000	226-325	£156	£300	+£144	+39p	3%
G2	>3000	>325	£190	£400	+£210	+58p	<1%

Many London boroughs charge much more than LBTH for permits for the most polluting cars. For example, Camden charges £475 a year, Islington £490, Kensington & Chelsea £242, Lambeth £318.53.

Business/Public Service Permits/Doctors, will see an average of 1.4% increase.

A contractor's permit is valid in all zones in the borough yet cost the same as a business permit which is only valid in the zone in which the business is situated. Therefore, we are proposing to charge based on the current CO2 emissions plus charge a flat rate of £200 for 12 months, £100 for six months and £50 for three months for an all zones permit.

Resident Visitor Vouchers

Currently resident visitor vouchers are by far the most utilised permit available costing just £1.70 for six hours. It is proposed that this should be changed to £3.00 and extended to all day, on the day of activation. This would still provide value for money which would equate to just 33p per hour to park.

Benchmarking has been carried out as below table.

Borough	E-permit	No. of Voucher	Unit	Cost	Cost per day
Tower Hamlets	Yes	1	Individual	£ 1.70	£ 1.70
Hackney	Yes	5	Book	£ 20.50	£ 4.10
Islington	No	1	Individual	£ 15.20	£ 15.20
Islington	Yes	1	Individual	£ 14.25	£ 14.25
Lambeth	Yes	5	Book	£ 24.50	£ 4.90
Lambeth	Yes	1	Individual	£ 5.58	£ 5.58
Newham	Yes	5	Book	£ 25.00	£ 5.00
Redbridge	Yes	10	Book	£ 7.00	£ 0.70
Southwark	Yes	10	Book	£ 26.90	£ 2.69
Southwark	Yes	1	Individual	£ 5.40	£ 5.40
Southwark	No	10	Book	£ 29.70	£ 2.97
Southwark	No	10	Book	£ 53.20	£ 5.32
Wandsworth	Yes	1	Individual	£ 7.90	£ 7.90
Wandsworth	No	1	Individual	£ 8.45	£ 8.45

- The price of an e-permit per day in six other boroughs ranges from £0.70 to £14.25. The average price per day is £6.34
- We are proposing to charge £3.00 per day, which is £3.34 lower than the 7 boroughs average price per day.

Free Visitor vouchers

We are proposing to raise the qualifying age for free Visitor vouchers from 1 Jan 2022. At present we issue free visitor vouchers to all residents over sixty. This equates to approximately 50% of all vouchers used.

Given that people are living and working longer, it seems reasonable to increase the qualifying age to 66, which is in-line with the State Pension Age. The proposal is that all residents who are age 60 plus and are registered on the system by 1 January 2022 will be allowed to continue with the concession of free visitor vouchers. After this date the qualifying age will rise to 66, and thereafter will increase broadly in line with the State Pension Age.

Currently those who are 60yrs + and those who have a daily carer receive free visitor vouchers.

Following a benchmarking exercise, Tower Hamlets is the only borough to give free visitor vouchers to its residents that are over 60.

Public Service Visitor Vouchers

A public service voucher currently cost £4.15 for three hours. We are proposing to replace a three-hour voucher with an all-day voucher at a cost of £7.00.

3.4.5 Paid for Parking (previously Pay & Display)

The average increase proposed across on-street bands is 5%.

For off-street car parks – excluding Roman Road car park, the fee increase is 30% - this hourly price difference between on-street and off-street is £1.50. It is felt that this vast difference does nothing to ensure turnover of spaces within the car parks and as such encourages commuter parking.

3.4.6 Administration Charges

The average fee increase is around 1.1%, for suspensions, permit refunds, dispensations and skip licences.

Operational services (Appendix 3, 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 market place, which has been impacted by Covid-19.

3.4.8 New charges have been introduced for collection of household bulky waste for any household that wants extra collections over and above the two free collections they are entitled to. In addition, we have introduced new bulky waste charges to commercial landlords for clearance of items of furniture from commercially rented properties. Discounts for the supply of composters and wormeries have been reduced to increase costs recovery. The 50% discount that we are offering on these composters and wormeries is recovered by a reduction in waste disposal charges.

Transportation and Highways (Appendix 3, section 3.3)

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

Street Trading (Appendix 3, 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 price increases are to ensure that the Markets Account is substantiable

3.4.15 The fee increases brought forward is almost a replication of what was agreed by cabinet for 2020-21, there are some minor changes where greater clarity was needed.

3.4.16 It is clear that certain traders contribute more to the waste and cleansing costs than others, to ensure a fair balance it is proposed that charges should be set at different levels, depending of the products being sold. To enable this we have separated out Fruit & Veg and Fish traders for the first time and increased the cost of Hot Food Licences.

Environmental Health and Trading Standards (Appendix 3, section 3.5)

3.4.17 An additional charge has been added for bedbugs, where the number of rooms treated is above three.

3.4.18 A new service and charge has been introduced for the treatment of Squirrels.

3.4.19 The fee levels will ensure full recovery of costs and are comparative to other local authority charges for these treatments.

Strategic Planning and Development Management (Appendix 3, section 3.6)

Strategic Planning

3.4.20 Strategic Planning has few opportunities to raise income directly. However, it should be noted that the skills of the service in planning policy, urban design and heritage are charged for when deployed as part of a team at pre-app or secured via PPA. This is particularly relevant for urban design and heritage skills as the council has a small dedicated team that covers off all work in this area. As we develop the PPA approach it maybe that we need to dedicate or commission in specific resources to work on particular PPAs. The full cost of this demand would be charged to the developer at the relevant rate.

3.4.21 All the current fees in place are proposed to increase with inflation.

Development Management

3.4.22 The development industry is still finding its feet after lock-down and has simultaneously shown signs of recovery and investment change. In the short-term Planning has seen an uptake in demand for pre-application advice with

the submission of planning applications at a comparable level to quarter 2 for 2019/20. However, with uncertainty around the impact of Covid-19, Brexit and any economic fall-out, the level of development activity shows significant month to month fluctuations and raises queries around the appetite for developers to take forward larger proposals. It has therefore proved to be a tricky exercise to establish a way forward for fee setting in 2021-22. Consequently, the approach being adopted is cautionary.

- 3.4.23 Pre-application fees were last reviewed extensively in 19-20 and these fees have been settling in over the last 12-18 months. Recent benchmarking has identified that we remain in the higher cost bracket for our largest fees and are higher than immediate neighbours LB Hackney and LLDC. We have looked carefully at who might be charging very high fees but have established that information on high fees being levied is likely to be more about a developer securing a package of meetings in one fee rather than very high single charge fees. Consequently, inflation only rises for the existing pre-app fee structure is considered prudent at this time.
- 3.4.24 The pre-app service is still in demand and developers continue to indicate 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 Local Planning Authority. This is particularly so for the more complex applications where the submission of more technical documents is required. All pre-application fees are inclusive of VAT.
- 3.4.25 One area that we have explored, that is new for 2021-22 is introducing a new product offer and a new fee at pre-app stage. This would be for what are known as “introductory or exploratory” initial launch meetings prior to a pre-app being submitted. These are often requested by larger developers who wish to engage the council and especially a senior manager in an initial introduction to their wider proposals in their broadest terms. To-date we facilitate this type of meetings as and when but do not charge for the time. Members of the Developers’ Forum have indicated that they would welcome a formalisation of this type of service.
- 3.4.26 From 2021-22 if one of these are requested the proposal is there will be a fee to pay and the meeting will be attended by at least one senior manager from the Division. The definition of the product and appropriate fee setting will need careful thought. There are concerns that the meeting could easily turn into a pre-app while if too many of these meetings are requested from all those with ideas, proposals and the demands placed on a few senior managers will mean the service will become undeliverable.
- 3.4.27 The new Planning Performance Agreement (PPA) Administration & Monitoring fees charged for the first- time last year have settled in well with developers. While we are proposing to do some re-working of the offer to ensure they work as efficiently as possible (uncouple connected external consultancy fees and collect separately), the fees, despite being comparatively high, should remain the same with just inflationary rises. We

are also working much more closely with the technical support staff to efficiently invoice for all associated consultant costs. For PPAs we will be enforcing an upfront culture of payments now the existence, purpose and process for the fees and is more widely known.

3.4.28 Finally, we have already introduced the new Be-spoke yearly dedicated PPA fee last year. This charge was set at £65,000 which was notionally to cover the cost of an equivalent principal planning officer to focus on a specific development proposal defined in a PPA. This is working for those few developers who need to have this attention and it is proposed to increase this fee to ensure we cover the cost of salary increases from Tower Rewards packages and enable us to add in additional costs of the time of other officers who may be needed in support of this service. This is now to be set at £70,000.

3.4.29 When we previously consulted with the developers' forum about the principal of a new suit of charges for management and administration of PPA and the idea of a bespoke product, we had no comments in objection. The emphasis from the industry being 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.

Building Control (Appendix 3, section 3.7)

3.4.30 Building Control trading account activity must break even year on year and reflect the cost of the service. The trading environment is particularly sensitive at the moment, .so the majority of fees are increasing by inflation only or remain the same to ensure competitiveness.

3.4.31 As part of the consideration of new planning policies a fee has been developed which will be for a charge on developers for Building Control Fire Safety experts to review the fire statements of proposals at pre-application stage. This is in line with the requirements in the new London Plan policy D12: Fire Safety. It is a new fee which is to be set initially at £1500 for the Building Control Fire Safety Statement review plus a £300 charge for handling and liaison through the planning process.

Technical Support – Local Land Charges (Appendix 3, section 3.8)

3.4.32 The Local Authority searches are formed in two parts as set out in section 3.8 of Appendix 3; it is proposed to increase all the search fees by inflation rounded up to the next £1. A couple of new “enhanced search fees” (we can do these for the searcher) are also proposed and shown in the appendix.

3.4.33 However, for Official Searches it is proposed, following a recent review of the service capacity and structure, together with a London-wide benchmarking exercise that the Council increases these three fees by 20% each. The fee for a Total Full Search therefore rises from £233 plus VAT to £282 plus VAT.

Street Naming & Numbering (Appendix 3, section 3.9)

Street Naming & Numbering

3.4.34 Street Naming and Numbering fees and charges were introduced during the 2012-13 financial year and reviewed fundamentally for 2019-20.

3.4.35 For 2021-22 we have reviewed how the new fees are working and the resources needed to support this service. It is an important part of the wider response that planning and building control manage to ensure that newly created properties are occupied as quickly as possible. This service has grown and changed over the last few years and we now need to ensure we cover all the costs associated with delivering, administering and managing the process as part of the Planning and Building Control division. It is therefore considered that there is scope to:

- Remove the cap on the maximum chargeable fee which is currently set at £15,000 and increase the per unit fee in line with inflation.
- It is also proposed to charge for the creation or regularisation of one or more units (charge for every unit created). This is currently only paid at 2 or more units. This would be of modest impact but it means that anyone creating a new unit would pay at least £72.
- This means that New Developments Address creation or Regularisation of Addresses for pre-existing but unaddressed development for any number of units are charged at £72 each and no longer capped. For example, a development of 600 units would currently hit the maximum fee so pay only £15,000. Under these changes this fee would increase to £43,200 at 2020-21 rates.

Venue Hire (Appendix 3, section 3.10)

3.4.36 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.

Community hubs

3.4.37 In November 2016 Cabinet approved the establishment of five community hubs across the borough at Christian Street, Tramshed, Bow, Granby Hall and Raines House.

3.4.38 Consistent charging applies to all the community hubs, with lower rates for local residents, community groups and charities than for commercial hire. Higher rates are charged for use outside core hours, being weekday evenings and weekends. Core hours are 8:30am to 5pm weekdays. Where additional services are required as part of the hire or the group using the space is greater than 70, additional charges will apply for other buildings, the council has benchmarked charges with other venue suppliers in each locality.

3.4.39 There are discounts provided for regular bookings of at least 12 weeks (20%) or for more than four hours (15%).

Other council owned venues for hire

- 3.4.40 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

- 3.4.41 Enquiries for the use of this venue is high as it has a multi-versatile space that meet 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. Enquiries from residents and charity groups are welcomed and discounts for these groups may be available.

Jack Dash House

- 3.4.42 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.

Bethnal Green Library

- 3.4.43 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

- 3.4.44 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. Enquiries from residents and charity groups are welcomed and discounts for these groups may be available.

3.5 GOVERNANCE

Registration of Births, Deaths & Marriages (Appendix 4, section 4.1)

- 3.5.1 The Registration & Citizenship Service currently 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 exceed the CPI whilst others remain unchanged; this is to ensure the service remains competitive in the non-statutory services it offers and can meet its income budget targets.

Academy Conversions (Appendix 4, section 4.2)

- 3.5.2 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 Council introduced charging for academy conversions in May 2017.

3.6 RESOURCES

Council Tax and Business Rates (Appendix 5, section 5.1)

- 3.6.1 Court costs are charged to both Council Tax payers and Ratepayers 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.
- 3.6.2 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. For these reasons it is proposed they remain at the current levels.

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 Consumer Price Index (CPI). 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	2020-21 Actual Charge £	2021-22 Proposed Charge £
Parent & Family Support	Holiday child care - Non working parents in receipt of benefits booking 9am- 5pm	6.50	7.00
Parking	Residents permits - Band A - 12 months, subject to documentation	10.50	20.00
Parking	Residents permits - Band G1 - 6 months	90.00	180.00
Parking	Residents permits - Band G1 - 12 months	156.00	300.00
Parking	Residents permits - Band G2 and multi-vehicle - 6 months	102.00	240.00
Parking	Residents permits - Band G2 and multi-vehicle - 12 months	190.00	400.00
Parking	Business/ Public Service / Contractor / Doctor's permits - Electric - 12 Months, subject to documentation	11.00	20.00
Street Trading	Permanent Fruit & Veg/Fish Trader - Specific Market (Chrip Street Roman Road- Normal Pitch) - Mon-Fri	7.00	20.00
Street Trading	Extra Fruit & Veg/Fish Trader - Specific Market (Chrip Street, Watney, Roman Road- Normal Pitch) - Mon-Fri	7.00	20.00
Street Trading	Permanent Fruit & Veg/Fish Trader - Specific Market (Chrip Street Roman Road- Normal Pitch) – Sat	27.00	35.00
Street Trading	Extra Fruit & Veg/Fish Trader - Specific Market (Chrip Street Roman Road- Normal Pitch) – Sat	12.00	35.00
Street Trading	Permanent Trader - Specific Market (Chrip Street - Large Pitch) - Mon - Fri	8.00	10.00
Street Trading	Permanent Trader Fruit & Veg/Fish - Specific Market (Chrip Street - Large Pitch) - Mon – Fri	8.00	22.00
Street Trading	Extra Trader - Specific Market (Chrip Street Roman Road Watney Bethnal Green - Normal Pitch) – Sat	12.00	14.00

Street Trading	Temporary Fruit & Veg Trader - Specific Market (Watney Bethnal Green- Normal Pitch) - Mon-Fri	22.60	29.00
Street Trading	Permanent Trader Food - Specific Market (Whitechapel, Watney, Chrisp Street, Sclater Street, Bethnal Green, Roman Road Square, Roman Road - Normal Pitch) - Mon-Fri	20.00	30.00
Street Trading	Permanent Food Trader - Specific Market (Brick Lane - Normal Pitch) - Sun	36.00	46.00
Street Trading	Permanent Trader - Market Specific (Whitechapel) - Mon-Fri	7.00	10.00
Street Trading	Permanent Fruit & Veg/Fish Trader - Market Specific (Whitechapel) - Mon-Fri	7.00	25.00
Street Trading	Extra Trader Fruit & Veg/Fish - Market Specific (Whitechapel) - Mon-Fri	7.00	25.00
Street Trading	Extra Trader - Market Specific (Whitechapel) - Mon-Fri	7.00	10.00
Street Trading	Permanent Fruit & Veg/Fish Trader - Market Specific (Whitechapel) - Sat	30.00	35.00
Street Trading	Extra Trader - Market Specific (Whitechapel) - Sat	12.00	14.00
Street Trading	Permanent Fruit & Veg/Fish Trader - Market Specific (Bethnal Green Road) - Mon-Fri	7.00	11.00
Street Trading	Permanent Fruit & Veg/Fish Trader - Market Specific (Bethnal Green Road) - Sat	25.00	28.00
Street Trading	Isolated Pitch Spitalfields - General - Mon-Fri	30.00	40.00
Street Trading	Display of goods and other use of public footway space (per square metre) - Mon-Sun	1.00	1.20
Street Trading	Electricity charge - Chrisp Street Market (per day) - Mon-Sat	1.50	5.00
Street Trading	Private land trading, in market vicinity fee each trader per day - Mon-Sun	5.00	50.00
Street Trading	Private Land in Vicinity of Market Application Fee - Mon-Sun	30.00	100.00
Idea Store Learning	Skills Funding Agency contract: accredited ESOL courses funded through Adult Skills grant (full fee payers)	4.25	10.00

4.6 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 give careful consideration to 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 £0.3m for 2021-22 which contribute towards meeting the overall budget gap.
- 5.4** The level of fees and charges income is approximately £30m, however the Covid-19 pandemic has had a significant impact on income received. The government has announced replacement funding for approximately 70% of the income lost for specified areas of sales, fees and charges for the period April 2020 to 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 in statute and in those cases there is no discretion as to the level of charge.
- 6.2** In respect of other fees and charges that are specifically allowed by statute but the actual amount of fee is not prescribed, the Council may set its own charges (e.g. parking). Others fall to be set by the Council pursuant to a variety of statutory powers. These fees and charges are reviewed annually and the Council has the power to recharge for these services. The legal power is included under the relevant law.
- 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** 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.

- 6.5** 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.
- 6.6** 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 within Health, Adults & Community
- Appendix 2 – Discretionary Fees and Charges within Children & Culture
- Appendix 3 – Discretionary Fees and Charges within Place
- Appendix 4 – Discretionary Fees and Charges within Governance
- Appendix 5 – Discretionary Fees and Charges within Resources
- Appendix 6 – Statutory Fees and Charges (All Directorates)

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

- None

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