

Fees and Charges 2015/16

Introduction

The purpose of this note is provide Cabinet Members with an update on an important aspect of the annual budget setting process – The setting of Fees and Charges.

As part of the budget process Cabinet Members and Officers review fees and charges across the services provided by the Council which are then formally approved, subject to any amendments as agreed by Council, as part of the Budget and Council Tax setting report. In setting the levels of fees and charges, departments have continued to have regard to the principles established by Governance & Resources Scrutiny Commission and agreed by Cabinet.

In broad terms fees and charges fall into three main categories.

- Those which are set by Statute or other Government Departments e.g. Licensing Act 2003 or DEFRA. The Council has little or no control over these.
- Those which are set by third parties e.g. North London Waste Authority for Commercial Waste or Greenwich Leisure Ltd. for Leisure centre fees. Although set by third parties the Council hopes have some control over these and is included in a consultation and agreement process before the fees are agreed.
- Those set independently by the Council service department. In the main the Council has full control over setting these but in some instances there are external restrictions on what can be charged and of course also there is an element of comparison of charges with neighbouring Boroughs. The remainder of this report deals in the main with these fees and charges.

The purpose of this note is to provide members with an opportunity to comment on the draft fees and charges for 2015/16 as they are currently known in advance of the schedule going to Cabinet / Council at the end of February and as in previous years to avoid any last minute surprises on the night!

Framework

Fees and charges (F&C) are set within the overall budget framework. Income budgets for 2015/16 from F&C have been kept at 2014/15 levels except where either there has been specific approval to increase them e.g. through formal approval of a plan to increase charges to meet savings proposals or where there has been a Delegated Powers or Cabinet report agreeing specific changes to

charges e.g. the August 2014 DPR setting out a revised Building Control charging scheme.

Income inflation has not been added to budgets so the general expectation is a base position that F&C for 2015/16 will not be inflated. However, it is recognised that in some cases the cost of providing the service has increased, the existing charge is significantly different to other London Boroughs, and there are some policy or service design changes. These and a variety of other reasons have resulted in some of the increases shown below.

However, in light of the default position being no increase, every increase no matter how small has had to be agreed and discussed with the Cabinet Member for that service prior to inclusion in the fees and charges schedule to Cabinet and the reason for the increase is included in the schedule attached.

Key points (these are all proposed subject to formal approval)

- The great majority of F&C have no increase for 2015/16. The services included in this category are, Environmental Services, Planning, Licensing, Libraries Parks and Leisure (not supplied by Greenwich Leisure Ltd.) Shop Front Trading, Hackney Today, Debt recovery Services, Children's services and Parking.
- Charges for Leisure Centre activities supplied by Greenwich Leisure Ltd. have generally increased at RPI although rounding to the nearest 5p means in some cases (where the charge is small) the increase % is higher than RPI.
- Building Control charges have changed in line with the August DPR from Legal HR and Regulatory Services.
- The charges for the hire and use of Council venues has been reviewed to ensure that they are more consistent with the full costs of provision. This is the first increase since 2011 and in some case now includes staffing costs which previously had been an additional charge.
- Registrars' fees have been updated in line with the income generation savings proposals included in the report to Cabinet in July 2014.
- The changes in relation to planning fees reflect the recent report to Cabinet in relation to the pre application fees to bring our charges more in to line with other Boroughs. Although the headline increase for these appears high, this was explained in detail in the Cabinet Report.

New Charges

There are a number of new charges for 2015/16. There are also a few "new" charges where these are not truly new charges but simply changes in the way we charge following consultation with service users and to better reflect the provision of the service. In general these have resulted in no overall increase in the charge.

There are a few exceptions to this as follows

- New charges for events at the West Reservoir
- Charges for food recycling (as a stand-alone service)
- Charges under the Anti-Social Behaviour Crime and Disorder Act 2014

Compliance with recommendations of the Governance and Scrutiny Commission

At its meeting on 12 December 2011, the commission considered a report on Fees and Charges and adopted the following principles:

1. Services should raise income wherever there is a power or duty to do so
2. Charges need to be simple to understand and administer
3. We will set our pricing to reflect the true cost of providing each service, including overheads
4. Any departure from the above principles will be justified with reference to specific Council priorities and policies
5. General presumption in the budget setting process is for no increase in charges where the Council has discretion, over and above those required to reflect the true cost of provision of service (subject to below)
6. We will benchmark key fees and charges we levy and seek to bring them into line with levels set by similar councils, having due regard to our social and environmental responsibilities
7. Where evidence suggests that a differential charging policy would increase overall use of a council facility, such a policy will be introduced, particularly if this increases accessibility to non commercial groups
8. Any proposal to raise external income by increasing fees and charges or by imposing a new charge where none existed before, must seek the approval of the Executive.

In reaching the proposed charges, Officers have considered how they fit in with the above principles. Consultation has taken place with Service Heads, Assistant Directors and Cabinet Members and the Directorate Finance teams to ensure these principles were considered and this is evidenced in the schedule.

Further details of how the above principles have been considered are retained within the individual service areas in the form of emails and minutes of budget setting meetings. Service areas have been made aware that from time to time evidence of how their charges meet the above principles may be required by Members and other interested parties.

Please contact me if you require any further information or have any questions. I am mindful that the sheer volume and number of these means that the schedules

are substantial and for next year (2016/17) I am going to develop options including possible changes to the constitution / Financial Procedure Rules for you to consider that look to reduce the size of these schedules having to go to Council ultimately but ensure that democratic oversight is not lost.

Corporate Director of Finance and Resources
5 January 2015