

<b>Item No.</b>	<b>Classification</b> Open	<b>Date:</b> 14 January 2011	<b>Decision Taker:</b> Cabinet Member for Community Safety
<b>Report title:</b>		Setting Fees and Charges for Community Safety for 2011-12	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Strategic Director of Environment & Housing	

## RECOMMENDATIONS

1. That the Cabinet Member agrees the proposed non-statutory fees and charges for 2011/12, with an implementation date of 1 April 2011 and is notified of the indicative non-statutory fees and charges for 2012/13 and 2013/14.
2. That the Cabinet Member notes information on statutory fees and charges only.

## BACKGROUND INFORMATION

3. This report sets out proposals for the fees and charges to be set for 2011/12 and indicative charges for 2012/13 and 2013/14.
4. The Medium Term Financial Strategy (MTFS) 2011/12 – 2012/13 and the corporate income policy require that:
  - Fees and Charges are increased to a level, at a minimum, that is equal to the most appropriate London average (e.g. inner London, family, groupings etc) except where this conflicts with council policy, would lead to adverse revenue implications or would impact adversely on vulnerable clients
  - Income generation is maximised by seeking income streams in line with council policies and priorities.
  - All fees and charges capped by statute are increased to the maximum level the cap allows.
5. Only where it can be demonstrated that adverse financial implications might arise or where increases are not considered realistic due to demand and local circumstances, can fees or charges increases be set at a lower level than that set by the MTFS. "In these circumstances, benchmarking or cost recovery data must be included in this report to justify the rate proposed".
6. The Council's constitution requires that all fees and charges increases are agreed by the relevant Cabinet Member through an IDM report. An IDM report is also required where no increase or a reduction in fees and charges is proposed.

## **KEY ISSUES FOR CONSIDERATION**

7. Fees and charges are those charges where there is a schedule of rates for services provided. There are various types, namely mandatory and discretionary i.e. where the Authority must charge or where there is a choice of charging or not. Whether mandatory or discretionary, the charges will be either:
  - Fixed – where the level of charges is set by statute and the Authority has no discretion.
  - Capped - where a maximum level is set, generally by statute and so charges cannot be set above this level, or
  - Flexible – where there is full discretion on the level of charges to be set
8. Where the Authority has a choice about charging, any decision not to charge must be agreed by the relevant Cabinet Member. This will be reviewed annually and will be considered within the context of the overall budget position.
9. This report only seeks approval for fees and charges for which there is discretion or where fees are capped, although, all fees and charges are included in the Appendices for information.
10. In arriving at the proposed fees and charge levels, consideration has been given to a number of factors, including; volume assumptions, benchmarking data, market forces and sensitivity i.e. the impact that increases will have on its customers' ability to pay and the take-up of services. Another factor taken into account is that, whilst Southwark may have discretion over the level of fees set, in many cases, this is on a cost recovery basis or must have due regard to the cost of service and be reasonable. The cost of service provision has therefore, also been a consideration in arriving at the proposed fees.
11. Table 1 (see paragraph 19) details the total income expected to be generated from non-statutory fees and charges. A full list of non-statutory fees and charges to be approved is shown in Appendix1. A further list showing statutory fees and charges is also provided in Appendix 2 for information.

### **Division / Business Unit**

#### **Licensing**

12. Most of the fees in this category are levied under statute, and are listed in Appendix 2. The only significant areas where there is a discretion for the Council to increase fees are those licences provided under the Gambling Act 2005 and the London Local Authorities Act 1991 (LLLA). The indicated cap or limit set on the proposed fees follows the case law that local Authorities may not charge a fee that recovers more than the cost of administering this process. Where possible the fees have been increased to the limit of the cap, for the remaining fees an increase of 5% is proposed.

#### **Residential Services**

13. Income is from licensing of Houses in Multiple Occupation (HMO). Fees are set to recover the cost of administration of licences only. The cost of enforcement cannot be included in this fee. The Housing Act 2004 HMO licence is not a fixed fee. It is set at £150 per letting for the first 10 lettings and then £50 per letting after that. There is a

20% discount for members of the London Lands Accreditation Scheme and a 10% discount for applicants who pay up within 28 days of receiving the invoice. An additional 10% is added where we do not receive a fully completed application and/or required documents are not enclosed with the form.

14. It is proposed to implement a new charge for the service of notices if the landlord has not complied with the informal procedure under section 49 of the Housing Act 2004. The proposal is to charge £500 for the first notice/order served, and £100 for any additional notices / orders.

### **Community Wardens – London Training and Resource Centre (LTRC)**

15. Capital Ambitions Grant subsidy will cease at the end on 2010-11. It has been decided to continue training activities on a commercial basis and if necessary making use of reserves. On this premise, the prices and the basis of charging have been revised with regard to the economic climate, and similar courses available in the market.

### **Resource implications**

16. Table 1 show the budgets and projected out turn for 2009/2010 and the anticipated income levels for 2010/2011 arising from the proposed fees and charges increases.

**Table 1 – Total Income Expected For Non-Statutory Fees & Charges.**

<b>Division/ Income Stream</b>	<b>2010/11 Budget £</b>	<b>2010/11 Projected out turn £</b>	<b>2011/12 Proposed Budget £</b>	<b>Increase In Income %</b>	<b>Comments</b>
Residential Services – Licensing HMO's	39,089	70,000	70,000	0	HMO licences are 5 year licences, the majority of which are due for renewal in 2012-13.
Residential Services – Service of Notices / Orders			20,000	100	This is a new charge applied to an existing activity. Budget is based on volumes achieved in 2009-10
London Training and Resource Centre - Training Fees	-	46,260	108,400	0	Grant subsidy for these training courses has now ceased, and prices have been revised accordingly.

### **Budget assumptions and implications**

17. Where permitted by case law, statutory fees have been increased to the limit of the cap, elsewhere an average increase of 5% has been assumed.

## **Residential Services**

18. The proposal to begin charging for notices and orders served, will have no impact upon resources. This service has been provided without cost to the customers in previous years, but it will now be charged for.

## **Staffing Implications**

19. The London Training and resource centre are proposing to run without grant funding in 2011-12. Expenses will be met from income generated and trading account reserves accumulated in prior years.

## **Community Impact Statement**

20. One of the key considerations in arriving at the proposed fees and charge levels for 2011/2012 was the price sensitivity i.e. the impact that increases will have on its customers' ability to pay and the take-up of services. This was supported by comparing prices with neighbouring authorities, where possible. However, this flexibility is limited to only where Southwark have discretion over the level of fees set. The adoption of the proposed fees and charges does not discriminate against any group in the community, either directly or indirectly.

## **Consultation / Notification of fee increases**

21. Consultation is not required on the above fees and charges. However, formal notification of price increase is. Once approved, notification of fee increases will be published through the appropriate channels.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director of Communities, Law & Governance (SB012011)**

22. The Cabinet Member for Community Safety is recommended to approve the 2011/2012 non-statutory fees and charges. The recommendations will take effect on 1 April 2011 if approved.
23. Section 93(1) of The Local Government Act 2003 enables the Council to charge for providing discretionary services. The power in the Act is subject to the requirement that the Council is not prevented from charging for the services by virtue of any other legislation. The report sets out within Appendix 2 the relevant legislative powers which enable the Council to charge fees in each case.
24. The approval of the fees and charges sought in this report is a matter reserved to the Cabinet Member for individual decision making in accordance with Part 3D paragraph 3 of the Council's constitution.
25. The proposed increases are intended to be consistent with the Medium term resources strategy and will apply to the existing non-statutory fees and charges.

**Finance Director (Env/ET/100111)**

26. This report seeks authority for approving the fees to be charged by Community Safety and Enforcement in 2011/2012. It is only concerned with fees and charges where the Council has discretion about the level to be charged.
27. Currently the Medium Term Resource Strategy (MTRS) is to generally increase discretionary fees and charges to a level that is equal to the most appropriate London average except where this conflicts with Council policy or would lead to adverse revenue implications. The majority of fees and charges have been increased by 5 % and are in line with the council's medium term resources strategy (MTRS), but where there are good reasons why this has not been adopted, this has been detailed within the body of the report.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Environment & Housing budget working papers	Community Safety, E & H offices, 3 <sup>rd</sup> Floor, 160 Tooley Street, SE1	Sandra Robb, Community Safety Accountant 0207 525 0809

## APPENDICES

No.	Title
1	Fees And Charges 2011 - 2012 - NON - STATUTORY FEES INCOME
2	Proposed Fees And Charges 2011 - 2012 - STATUTORY FEE INCOME

## AUDIT TRAIL

<b>Lead Officer</b>	Gill Davies, Strategic Director, Environment & Housing	
<b>Report Author</b>	Jonathon Toy, Head of Community Safety	
<b>Version</b>	Final	
<b>Dated</b>	14 January 2011	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Officer</b>	14 January 2011	