

Item No.	Classification: Open	Date: 16 January 2012	Decision Taker: Cabinet Member for Finance, Resources and Community Safety
Report title:		Community Safety & Enforcement Services - Fees and Charges 2012/2013 – 2014/15	
Ward(s) or groups affected:		All	
From:		Strategic Director of Environment & Leisure	

RECOMMENDATIONS

1. That the Cabinet Member agrees the proposed non-statutory fees and charges for 2012/13, with an implementation date of 1 April 2012.
2. That the Cabinet Member agrees the indicative non-statutory fees and charges for 2013/14 and 2014/15.
3. That the Cabinet Member notes the information contained within this report on the agreed 2011/12 non-statutory fees and charges and the projected out turn position.
4. That the Cabinet Member notes information on statutory fees and charges only.

BACKGROUND INFORMATION

5. This report sets out proposals for the fees and charges to be set for 2012/13 and indicative charges for 2013/14 and 2014/15.
6. The Medium Term Financial Strategy (MTFS) 2012/13 – 2013/14 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 maximized 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.
7. 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.
8. 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

9. 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.
10. 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.
11. 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.
12. 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.
13. 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 are shown in Appendices 1. A further list showing statutory fees and charges is also provided in Appendix 2 for information.

Division / Business Unit

Licensing

14. 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 licenses 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 2% is proposed.

Residential Services

15. Income is from licensing of Houses in Multiple Occupation (HMO). Fees are set to recover the cost of administration of licenses only. The cost of enforcement cannot be included in this fee. The Housing act 2004 HMO license is not a fixed

fee, and there is an expectation that the fees will be reviewed periodically. The fees were last reviews in 2010-11, and 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 Lards Accreditation Scheme and a 10% discount for applicants who pay up within 28days 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.

16. There is also a 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)

17. Since the cessation of the Capital Ambition grant funding, LTRC has continued to deliver training activities on a commercial basis, where necessary make use of its reserves. LTRC are currently the only public sector provider of wardens’ core skills training in London and the South East, so no benchmarking information is available. The prices and the basis of charging have been arrived at with regard to the economic climate, and similar courses available in the open market.

Community Impact Statement

18. One of the key considerations in arriving at the proposed fees and charge levels for 2012/2013 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

Resource Implications

19. Table 1 show the budgets and projected out turn for 2011/2012 and the anticipated income levels for 2012/2013 arising from the proposed fees and charges increases.

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

Division/ Income Stream	2011/12 Budget £	2011/12 Projected out turn £	2012/13 Proposed Budget £	Increase In Income %	Comments
Residential Services – Licensing HMO’s	79,089	25,000	50,000	0	HMO licenses are 5 year licenses, the majority of which are due for renewal in 2012-13.
Residential Services – Service of Notices / Orders	50,000	0	31,500	0	This fee was introduced in 2011-12, but no charges have been made.
London Training and Resource	-	22,900	0	0	LTRC operates on a trading account

Centre - Training Fees					basis.
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20. Budget assumptions and implications

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.

21. Staffing implications

The London Training and resource centre ran without grant funding in 2011-12. Expenses will be met from income generated and trading account reserves accumulated in prior years. It is proposed that it will continue to operate in this manner.

Consultation

22. 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 (SB1211)

23. The Cabinet Member for Finance, Resources and Community Safety is recommended to approve the 2012/2013 non-statutory fees and charges. The recommendations will take effect on 1 April 2012 if approved.

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 (NR/1312)

26. This report recommends that the Cabinet Member for Finance, Resources and Community Safety agrees the proposed non-statutory fees and charges for 2012/13, with an implementation date of 1 April 2012, agrees the indicative non-statutory fees and charges for 2013/14 and 2014/15., notes the information contained within this report on the agreed 2011/12 non-statutory fees and charges and the projected out turn position and notes information on statutory fees and charges only.

27. The Finance Director notes that the Medium Term Finance Strategy (MTFS) policy 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 resource implications outline the approach taken by the service in this regard.

28. Officer time to effect the recommendations will be contained within existing budgeted revenue resources.

BACKGROUND DOCUMENTS

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

APPENDICES

No.	Title
1	Fees And Charges 2012 - 2013 - NON - STATUTORY FEES INCOME
2	Proposed Fees And Charges 2012 - 2013 - STATUTORY FEE INCOME
3	Benchmarking of Fees & Charges

AUDIT TRAIL

Lead Officer	Gill Davies, Strategic Director, Environment & Housing	
Report Author	Jonathon Toy, Head of Community Safety	
Version	Final	
Dated	16 January 2012	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
List other officers here		
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	16 January 2012	