

Item No.	Classification: Open	Date: 2 February 2015	Decision Maker: Cabinet Member for Housing
Report title:		Community Safety & Enforcement (Residential services) Fees and Charges 2015/16	
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 2015/16, with an implementation date of 1 April 2015.

BACKGROUND INFORMATION

2. This report sets out proposals for the fees and charges to be set for Community Safety & Enforcement Division (Residential services) for 2015/16.
3. The Medium Term Resources Strategy (MTRS) 2014/15 – 2016/17 and the corporate income policy require that:
 - Fees and Charge 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.
4. 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 MTRS.
5. The council's constitution requires that all fees and charges increases are agreed by the relevant Cabinet Member through an Individual Decision Maker (IDM) report. An IDM report is also required where no increase or a reduction in fees and charges is proposed.

KEY ISSUES FOR CONSIDERATION

6. 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
7. 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.
 8. 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.
 9. 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.
 10. Table 1 (see paragraph 18) 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 Appendix 1.

Division / Business Unit

Residential Services

11. Income is from licensing of Houses in Multiple Occupation (HMO) that the council has a duty to license. This applies to larger HMOs. Fees are set to recover the cost of administration of the mandatory licensing scheme. The Housing act 2004 HMO license is not a fixed fee, and there is an expectation that the fees will be reviewed periodically. Fees have had to be increased to accurately reflect the cost of administering the mandatory scheme.
12. There is a 20% discount for members of any accreditation scheme that has been licensed by the Greater London Authorities' London Rental Standard. The licensed schemes are listed on the GLA website. The list may be subject to change and would be monitored to ensure we are offering discounts to the appropriate accreditation schemes. There is a 10% discount for applicants who pay up within 28 days of receiving the invoice. There is also a discretionary charge of an additional 10% where the unit does not receive a fully completed application and/or the required documents are not enclosed with the form.
13. The council is currently consulting on introducing both additional and selective licensing within the private rented sector. These are both described as discretionary licensing schemes. Additional licensing applies to smaller HMOs. Selective licensing applies to privately rented single family dwellings. Should the Council decide to introduce discretionary licensing scheme(s) a separate IDM will need to be prepared at an appropriate time detailing and seeking agreement for a suitable fees and charges to cover the administration costs of the scheme(s)

14. Under the Housing Act 2004 the Local Authority is able to charge landlords / managing agents for service of formal Housing Act notices. Service of formal notices only occurs when a landlord or managing agent has failed to comply with the requirements of informal notices and where the tenants health, safety and welfare is put at risk.
15. It is proposed that this discretionary charge for serving formal housing act notices on non compliant landlords and agents are increased to reflect the true cost to the council of taking this action. It is hoped that this will also act as a deterrent, and encourage landlords to comply with the informal notices thereby reducing the time that tenants are at risk. In 2013/14, 27 formal notices were served on non compliant landlords.

Community impact statement

16. Officers have been mindful of the need to satisfy the Public Sector Equality Duty imposed by the Equality Act 2010. This requires the council to have due regard to take steps to meet the needs of those persons having a protected characteristic under the Act, and to ensure that such persons are able to access services.
17. One of the key considerations in arriving at the proposed fees and charge levels for the division is price sensitivity i.e. the impact that increases will have on its customers' ability to pay and the take-up of services. This is supported by comparing prices with neighbouring authorities, where possible. However, this flexibility is limited to only where Southwark has 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

18. Table 1 shows the budgets for 2014/15 and the anticipated income levels for 2015/16 arising from the proposed fees. Budget assumptions are covered in the comments accompanying the financial table and the above paragraphs.

Table 1 – Community Safety & Enforcement (Residential Services) discretionary fees and charges

Income Stream	2014/15 Income Budget £'000	Expected Increase in income arising from increased fees £'000	2015/16 Estimated Income Budget £'000
Residential Services – Licensing HMO's / Service of Notices/Orders	134	100	234
Total - Division	134	100	234

19. The total net increase in income from Residential services of £100,000 as shown in Table 1 has been considered as part of the proposals in the budget and business planning exercise for 2015/16 budgeted income level.
20. Any benefits or repercussions on demand for services arising from the proposed fees and charges will be reflected in revenue monitoring reports and future budget proposals. Any variances will be contained within existing budget for 2015/16 financial year.

Staffing implications

21. There are no staffing issues associated with this report.

Consultation

22. Consultation is not required on the above fees and charges. However, once approved, notification of fee increases will be published through the appropriate channels and key stakeholders.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

23. The Cabinet Member for Housing is requested to approve the 2015/16 non-statutory fees and charges. The recommendations will take effect on 1 April 2015 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 corporate policy, in particular the Medium Term Resources Strategy and will apply to the existing non-statutory fees and charges.
26. Section 93(1) of The Local Government Act 2003 enables the council to charge for providing discretionary services. In addition, section 1 of the Localism Act 2011 allows a local authority to do anything that individuals generally may do, including for a commercial purpose or otherwise for a charge, or without charge. The power conferred by those Acts is subject to the requirement that the council is not prevented from charging for the services by virtue of any other legislation. The Director of Legal Services is not aware of any specific legislative provision which would prevent the council from relying on these powers to charge.
27. The power to charge for a service under the Acts is also subject to the duty to make sure that, taking one financial year with another, the income from charges made from a service does not exceed the cost of the provision of the service.
28. The council is, therefore allowed to set the level of the charge for each discretionary service that it thinks fit and considers reasonable, subject to those charges not exceeding the costs of the provision.
29. The report confirms that there are no prescribed legal requirements for consultation on the proposed fees and charges although any proposed increases will need to be publicised and notified. Officers should ensure that all forms of notification explain how and to whom any complaints or queries should be made.

Strategic Director of Finance and Corporate Services E&L/14/011

30. This report recommends that the Cabinet Member for Housing agrees the proposed non-statutory fees and charges for 2015/16, with an implementation date of 1 April 2015.

The report also notes information on statutory fees and charges.

31. The strategic director of finance and corporate services notes the resource implications contained within the report.
32. Savings that have been factored into future budgets and alternative savings would need to be identified should the recommendations not be accepted. Officer time to effect the recommendation will be contained within existing budgeted revenue resources.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Environment & Leisure budget working papers	Community Safety & Enforcement, Environment & Leisure, 3 rd Floor, 160 Tooley Street, SE1	Daniel Brew-Riverson, Divisional Accountant 0207 525 2389

APPENDICES

No.	Title
Appendix 1	Proposed Fees & Charges 2015/16 – Non Statutory Fees Income

AUDIT TRAIL

Lead Officer	Deborah Collins, Strategic Director, Environment & Leisure	
Report Author	Jonathon Toy, Head of Community Safety	
Version	Final	
Dated	January 2015	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	10 February 2015	