

Item No.	Classification Open	Date: 15 February 2010	Meeting Name: Executive Member for Community Safety
Report title:		Fees and charges within Community Safety & Enforcement Services 2010/2011	
Ward(s) or groups affected:		All	
From:		Strategic Director of Environment & Housing	

RECOMMENDATION

1. That the Executive Member agrees the proposed non-statutory fees and charges for 2010/11 with an implementation date of 1 April 2010.
2. That the Executive Member agrees the indicative non-statutory fees and charges for 2011/12 and 2012/13.
3. That the Executive Member notes the information contained within this report on the agreed 2009/10 non-statutory fees and charges and the projected out turn position.
4. That the Executive 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 2010/11 and indicative charges for 2011/12 and 2012/13.
6. The Medium Term Financial Strategy (MTFS) 2009/10 – 2011/12 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.
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. *“In these circumstances, benchmarking or cost recovery data must be included in this report to justify the rate proposed”.*
8. The Council’s constitution requires that all fees and charges increases are agreed by the relevant Executive Member through an Individual Decision Making (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 Executive 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 Appendix 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. In the case of annual maintenance fees issued under the Gambling act 2005 for adult gaming centres and bingo challenges are being made to reduce the level of the fees therefore no increase is proposed for the maintenance fees. For the remaining fees under this act which have not reached the level of the cap a fee increase of 2% is proposed to be in line with MTRS.
15. The London Local Authorities Act 1991 (LLLA Act 1991) have a revised fee schedule that now includes new charges for transfers and variations to a licence.

16. Licences for sex establishments which are issued under the London Local Government (miscellaneous provisions) Act 1982. To date no licences for sex establishments have been issued by Southwark Council. The European Union Services Directive are viewing high licence fees in this area as a possible barrier to trade. Southwark have reviewed the cost of administering the licenses and are proposing a reduction in the fee for sex establishment licences to reflect the costs of their administration. The proposal is a reduction in the current fee of £20,007 down to £7,605 (with £540 refundable in the event that the application is refused).

Residential Services

17. Income is from licensing of Houses in Multiple Occupation (HMO's). 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 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 Lads 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.

Community Wardens – London Training and Resource Centre (LTRC)

18. Currently the Community Safety London Warden and Resource Centre is largely funded by Capital Ambitions grant to provide support to local authority partnerships and neighbourhood-based schemes such as neighbourhood wardens and similar approaches in order to deliver Local Area Agreement (LAA) improvement targets in deprived neighbourhoods. The purpose of the Capital ambitions Grant is to allow the Council to deliver free training in these areas. There are currently no proposals to deliver outside of these grants in 2010-11.

Resource implications

19. 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.

Division/ Income Stream	2009/10 Budget £	2009/10 Projected out turn £	2010/11 Proposed Budget £	Increase In Income %	Comments
Residential Services – Licensing HMO's	39,089	8,000	8,000	0	HMO licences are 5 year licences, the majority of which are due for renewal in 2012-13.
London Training and Resource Centre - Training Fees	40,000	38,000	0	0	Free training proposed under Capital Ambitions Grant.

Budget Assumptions and Implications

20. An average increase of 2% has been assumed in line with MTRS unless charges are limited or capped under legislation.

Staffing Implications

21. The London Training and resource centre are proposing to run a grant funded service in 2010-11 from which staffing costs will be met hence the lack of fee income will have no impact.

Community Impact Statement

22. One of the key considerations in arriving at the proposed fees and charge levels for 2010/2011 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

23. 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 (SB022010)

24. The Executive Member for Community Safety is recommended to approve the 2009/2010 non-statutory fees and charges. The recommendations will take effect on 1 April 2010 if approved.
25. The approval of the fees and charges sought in this report is a matter reserved to the Executive Member for individual decision making in accordance with Part 3D paragraph three of the Council's constitution.
26. 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/050210)

27. This report seeks authority for approving the fees to be charged by Community Safety and Enforcement in 2010/2011. It is only concerned with fees and charges where the Council has discretion about the level to be charged.
28. 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 2 % 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 rd Floor, 160 Tooley Street, SE1 2TZ	Sandra Robb, Community Safety Accountant Tel: 0207 525 0809

APPENDICES

No.	Title
1	Fees and Charges 2009 - 2010 - NON STATUTORY FEES INCOME
2	Proposed Fees and Charges 2009 - 2010 - STATUTORY FEES INCOME

AUDIT TRAIL

Lead Officer	Gill Davies, Strategic Director of Environment and Housing	
Report Author	Jonathon Toy, Head of Community Safety	
Version	Final	
Dated	15 February 2010	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Executive Member	Yes	Yes
Date final report sent to Constitutional Officer	15 February 2010	