

Report to:	Environment and Neighbourhood Committee	Date:	29 November 2018
Report title:	Review of Environment, Housing and Regeneration Fees and Charges for 2019/20		
Report from:	Mary Morrissey, Strategic Director of Environment, Housing and Regeneration		
Ward/Areas affected:	Borough Wide		
Chair of Committee/Lead Member:	Councillor Manuel Abellan		
Author(s)/Contact Number(s):	Sharon King-Holmes, Commissioning Officer, 0208 770 5316		
Corporate Plan Priorities:	<ul style="list-style-type: none"> ● Being Active ● Making Informed Choices ● Keeping People Safe ● Living Well Independently 		
Open/Exempt:	Open		
Signed:		Date:	14 November 2018

1. Summary

- 1.1 This report seeks approval following a review of fees and charges for various Environment, Housing and Regeneration, Chief Executive and Resource Directorate services. The report provides details of existing charges and proposed increases for services.

2. Recommendations

The Environment and Neighbourhood Committee is recommended to:

- 2.1 Agree charges for 2019/20 for the following services - Libraries, Heritage & Art Services, Regulatory Services, Sports and Leisure Management, Registration Services, Shared Highways and Transport, Bulky Waste including fridges, Green Garden Waste, Trade Waste, Parks and Cemeteries, Biodiversity and Sutton Life Centre.

3. Background

- 3.1 The Environment, Housing and Regeneration Directorate review fees and charges applied to its services on an annual basis for charges to be levied from the following 1 April.

4. Issues

4.1 The aim of the review is to:

- Ensure that all costs associated with the provision of services are fully recovered.
- Ensure any known increases in contract costs, inflation and other costs are recovered.
- Address the base income budget position for individual services.

4.2 The following services are proposing to increase charges in line with inflation of 2%, although this can vary slightly from 2% when rounding numbers to the nearest 50 pence.

- Trade Waste
- Parks and Cemeteries
- Biodiversity
- Sutton Life Centre

4.3 The following services are either proposing charges below or above inflation (assumed at 2%); or making no change to current charges and the rationale for this is listed in the sections below.

4.4 Libraries, Heritage and Art Services (Appendix A)

The service conducted a comprehensive review of fees and charges last year and as a result some charges were raised above inflation while others reduced or discontinued. There is now a much more comprehensive and consistent charging structure in place.

Following the reopening of Sutton Library in April 2018 charges were also introduced for new services such as the gallery and community space. Due to the changes implemented last year the proposal is to not increase any of the charges from April 2019.

4.5 Regulatory Services General Licensing Fees (Appendix B)

Regulatory Services covers the following functions: Food Safety, Health and Safety, Trading Standards, Private Sector Housing including a Home Improvement Agency, Pollution Control, Licensing and Environmental Enforcement.

Licensing and regulatory fees have been reviewed in light of the Hemmings Supreme Court Ruling which confirmed that licence fees should comprise not only a sum to cover the administrative cost of issuing the licence but also a sum representing the cost to the Licensing Authority of regulating and enforcing the licensing scheme. Any increases have been set on the basis of cost recovery.

An inflationary increase has been applied to other fees and charges where appropriate.

4.6 Sports and Leisure Management (Appendix C)

Sports and Leisure Management (SLM) operate and manage Westcroft, Cheam, David Weir and Phoenix Leisure Centres on behalf of the Council. Contractually fees are set by the provider, SLM, and is not a Member decision. The figure included in Appendix C are provisional price increases provided by SLM. SLM have advised that they will confirm final price increases in quarter 3. The overall average increase in the provisional prices is 2.42%, which is in line with CPI. Income collected is retained by SLM.

4.7 Registration Services (Appendix D)

Fees and charges have been increased to bring them into line with other Registration Districts for ceremonies both in house and for attendance at outside venues.

Fees for conferencing have been set at competitive prices by benchmarking across a range of similar local venues. It is also intended to offer a small amount of food choices, which will be at cost with a 10% markup for administration. The majority of the Joint Naturalisation and Passport checking service will cease in 2019/20.

4.8 Shared Highways and Transport (Appendix E)

The fees and charges for the Highways and Transport Group (as part of the Shared Environment Service (SES) with Kingston) have been reviewed to ensure full cost recovery, mitigate risk of damage to the highway asset and cover inflation.

It should be noted that Street Works Statutory charges are not a decision of this Committee and would be subject to a statutory consultation process, so are listed for information only.

Highways licence fees and charges continue to be reviewed each year for process harmonisation and administrative streamlining as part of the work of the SES with Kingston. Skip companies will be required to register and renew their registration on an annual basis. This fee will cover administration costs and include the full review of company compliance with T&C documentation. It should be noted that the skip and building materials licence costs have been increased by more than 2% inflation as these remained static in 2017/18 following the E&N Committee decision on 1 February 2018. These are now in line with the SES but retain the 14 day duration period and renewal option.

In respect of the fees for Permanent Traffic Order Amendment, i.e. parking bay relocation to accommodate dropped kerb crossings, the increase which has been applied is a result of a process review of these requests. The increased charge now reflects more accurately officer time in dealing with and processing these applications.

With regard to the charges for third parties to work on the highway and for the agreement of adoption of highways (Appendix E headings S278 and S38 of the Highways Act respectively) it should be noted that it is rare that the £4,000 minimum charge is invoked. In most cases the percentage fees are charged; however, for 2019/20 the minimum charge now covers inflation.



4.9 **Bulky Waste including fridges (Appendix F)**

It is proposed that the fees and charges for bulky waste increase by 3.3% for 1-3 items and 4% for 4-6 items. This is in line with the contractual requirement to raise prices in line with the Retail Price Index (RPIX) and then rounded up.

4.10 **Green Garden Waste (Appendix G)**

A chargeable green garden waste service was introduced in 2014 and is paid for by an annual subscription. It is proposed to increase the current fee by 3.62%. This is in line with the contractual requirement to raise prices in line with the Retail Price Index (RPIX) and then rounded up.

5. **Options Considered**

5.1 An annual review was carried out across all services and resulted in proposed increases of varying amounts to individual services. The options considered were to:

- 1) not increase charges
- 2) increase by inflation only
- 3) increase above inflation

6. **Impacts and Implications**

Financial

- 6.1 The Financial Regulations state that all fees and charges for services are reviewed at least annually. Strategic Directors may authorise increases in fees and charges which are on average in line with general inflation. Any other proposal for increasing charges or introducing new charges must be reported to the relevant Committee with full details of the expected service and financial impacts. Increased or new charges shall not be implemented until they have been approved by the relevant Committee.
- 6.2 The proposed fees and charges are predominantly in line with inflation (2%). Where fees and charges are above the rate of inflation this will assist the Services to either achieve their existing income targets and cover the cost of the service or any surplus income will go towards directorate savings target.

Legal

- 6.3 The report proposes changes to the Council's existing charges and fees. Under the Constitution the Council's charges and fees should be reviewed annually and any proposals for increasing fees above inflation or for introducing new charges need approval by the relevant committee.
- 6.4 The Council has various powers to impose charges under specific legislation relating to particular services either on a cost recovery basis or otherwise. For example, licensing fees fall within three different categories:

- Fees which are set by statute and cannot be amended by individual local authorities;
- Fees which are set locally to cover the cost of administering/managing the regime
- Fees which are set locally but are subject to a cap/maximum limit imposed by statute.

- 6.5 Fees which can be set locally allow a local authority to determine fees to enable it to recover its reasonable cost in carrying out its licensing functions. In these circumstances the local authority needs to consider the effect of European legislation which requires the fee to be proportionate to the cost of the procedures and formalities and must not exceed the cost of those procedures and formalities.
- 6.6 The Council also has general power under section 93 of the Local Government Act 2003 ("LGA 2003") to charge a person for discretionary services that is the provision of a service where the Council is authorised but not required to provide the service and the person has agreed to its provision. The power applies where there is no other specific statutory power that covers the proposed charge. The income from charges for a service should not exceed the costs of providing the service. Charges may be set differently so that users are charged different amounts.
- 6.7 The Council has power under section 1 of the Localism Act 2011 to do anything that individuals generally may do, subject to specified restrictions and limitations imposed by other statutes. The general power of competence extends to charging for services, but limits on charging are imposed by the Localism Act 2011. The Council may only charge for a service under the general power of competence if: (a) it is a discretionary service; (b) the person agrees to the service being provided; and (c) there is no other power to charge for the service, including in section 93 of the LGA 2003. Taking one financial year with another, the income from charges must not exceed the costs of providing the service.
- 6.8 Following the implementation in December 2009 of the Provision of Services Regulation 2009 (SI2009/2999), giving effect domestically to EU Directive 2006/123/EC, and the various judgments in the Hemming and Others v Westminster City Council cases, a Council can legitimately levy licence fees which can be set locally from licence holders of a sum to cover the administrative cost of issuing the licence, but also a sum representing the licensees' share of the cost to the licensing authority of regulating and enforcing the licensing scheme in question. A Council is not entitled to levy enforcement costs in an application, so the applications for licences are made on the basis that the applicant must pay: (i) on making the application, the costs of the authorisation procedures and formalities, and (ii) on the application being successful, a further fee to cover the costs of the running and enforcement of the licensing scheme. The Hemming and Others v Westminster City Council cases also determined that licence fees set by a local authority must be determined by a committee or officer with duly delegated authority to do so. When setting such a fee, local authorities must carry forward both surpluses and deficits. Local authorities must ring-fence the fees and not make a profit from that scheme.



7. Appendices and Background Documents

Appendix letter	Title
A	Libraries, Heritage & Art Services – Proposed Fees 2019/20
B	Regulatory Services General Licensing Fees – Proposed Fees 2019/20
C	Sports & Leisure Management – Proposed Fees 2019/20
D	Registration Services - Proposed Fees 2019/20
E	Shared Highways and Transport - Proposed Fees 2019/20
F	Bulky waste including Fridges
G	Green Garden Waste
H	Trade Waste
I	Parks and Cemeteries
J	Biodiversity
K	Sutton Life Centre

Background Documents
None

Audit Trail		
Version	Final	Date: 14 November 2018
Consultation with other officers		
Finance	Yes	Al Mawji
Legal	Yes	Guy Bishop



Equality Impact Assessment required	No	N/A
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