

## Portfolio Holder for Housing

28<sup>th</sup> March 2023

### REPORT OF THE ASSISTANT DIRECTOR FOR HOUSING & ENVIRONMENT

#### A.1 Housing & Environment – Housing General Fund - Proposed Fees and Charges for 2023/24

(Report prepared by Tim Clarke)

#### PART 1 – KEY INFORMATION

##### PURPOSE OF THE REPORT

To seek the Portfolio Holder's concurrence to the proposed schedule of fees and charges 2023/24 for Housing & Environment – Housing General Fund.

##### EXECUTIVE SUMMARY

- This report sets out the proposed fees and charges for 2023/24 for Housing & Environment – Housing General Fund. They continue to be considered against a number of key principles that form part of the long-term financial forecast approach which are summarised later on in this report.
- Any amendments to income budgets that are required to reflect changes to fees and charges will be reviewed in year as the detailed budget proposals for 2023/24 were considered and recommended by Cabinet to Full Council in February 2023.
- Individual decisions agreeing fees and charges are recorded to ensure the Council has the authority to charge the correct fees. During 2023 these decision will be required earlier than this year to ensure the information is collated and presented as part of the overall budget setting process for 2024/25.

##### RECOMMENDATION(S)

**That the Schedule of Fees, Charges and Penalty Notice levels for 2023/24 for Housing & Environment – Housing General Fund set out in Appendix A be agreed.**

##### REASON(S) FOR THE RECOMMENDATION(S)

To enable the implementation of a revised fees and charges schedule for 2023/24.

##### ALTERNATIVE OPTIONS CONSIDERED

Please see the considerations / reasons behind the proposed fees and charges later on in this report.

#### PART 2 – IMPLICATIONS OF THE DECISION

##### DELIVERING PRIORITIES

The forecasting and budget setting process, including fees and charges, will have direct implications for the Council's ability to deliver on its objectives and priorities. At its heart, the 10 year approach to the forecast seeks to establish a sound and sustainable budget year on year through maximising income, including income raised from fees and charges, whilst limiting reductions in services provided to residents, businesses and visitors.

### **OUTCOME OF CONSULTATION AND ENGAGEMENT**

Councillor Paul Honeywood, Portfolio Holder for the service areas has been consulted and is happy with the proposed increase in fees and charges.

### **LEGAL REQUIREMENTS (including legislation & constitutional powers)**

<b>Is the recommendation a Key Decision (see the criteria stated here)</b>	<b>No</b>	<b>If Yes, indicate which by which criteria it is a Key Decision</b>	<input type="checkbox"/> <b>Significant effect on two or more wards</b> <input type="checkbox"/> <b>Involves £100,000 expenditure/income</b> <input type="checkbox"/> <b>Is otherwise significant for the service budget</b>
		<b>And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)</b>	<b>N/A</b>

The arrangements for setting and agreeing a budget and for the setting and collection of council tax are defined in the Local Government Finance Act 1992. The previous legislation defining the arrangements for charging, collecting and pooling of Business Rates was contained within the Local Government Finance Act 1988. These have both been amended as appropriate to reflect the introduction of the Local Government Finance Act 2012.

The general powers to charge are set out in the Local Authorities (Goods and Services) Act 1970 and the Local Government Act 2003 – Section 93 respectively. The latter also requires that charges for discretionary services should be on a cost recovery basis. However, where specific legislation permits the charging of fees, it must be relied upon for the exercise of these functions.

The Housing Act 2004, Part 2, section 63 (3), (7), allows Local Housing Authorities to charge fees to parties applying for a license to run a House in Multiple Occupation and expressly allows authorities to fix fees to take into account all costs incurred in carrying out their functions under Part 2 of the Act.

The Housing Act 2004, section 49, affords Local Authorities with powers to make a reasonable charge as they consider appropriate as a means of recovering certain administrative and other expenses incurred by them for the service of specified notices when taking enforcement action.

The Energy Efficiency (Private Rented Property) (England & Wales), Regulations 2015 (2015/962), affords Local Authorities powers to impose fines for breaches of the aforementioned Regulations.

Regulation 8 of the Smoke & Carbon Monoxide Regulations (England) 2015, affords Local Authorities powers to impose fines for breaches of the aforementioned Regulations and sets out the recovery process to be undertaken in accordance with the Regulations. The amount of the penalty charge is determined by the Council and must not exceed £5,000 (Regulation 8(1) and (2)).

Under Para 4.4.1 (8) Part 3.4 of the Council's Constitution, all Assistant Directors, in consultation with the relevant Portfolio Holder (for executive functions), Management Team Member and the Assistant Director (Finance & IT), are authorised to decide the level of the annual discretionary fees and charges for their service (including any in-year changes that may be required) for inclusion within the Council's corporate schedule of fees and charges. Following the above consultation, an Officer decision must be published.

**The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:**

I am pleased to note the different powers have been quoted rather than relying on the general power to charge.

Under Section 49 of the Housing Act, certain expenses are recoverable for different types of notices however, these vary slightly depending upon the type of notice being served and the Department should ensure the correct administrative costs are being recovered, when relying on this section.

It is noted that financial penalties for non-compliance of the Energy Efficiency (Private Rented Property) (England & Wales) Regulations 2015 and the Smoke & Carbon Monoxide Regulations (England) 2015, have been included within this report, and although I welcome a decision in setting the levels for these penalty notices, I am not sure they are fees and charges for the purposes of recovering administrative costs. Therefore I would suggest adding these within the recommendation to the decision.

Reasons for the imposing the Penalty Notices should be recorded separately on each case as the legislation specifies a maximum and if the landlord has failed to comply with the relevant remedial notices. This information is required to justify the levels if challenged.

## **FINANCE AND OTHER RESOURCE IMPLICATIONS**

### **Finance and other resources**

Fees and Charges have been reviewed against the key principles that underpin the long-term forecast, which includes the generation of income whilst balancing strategic and external market conditions.

Given the significant Financial challenges faced by the Council in 2022/23 and 2023/24, a key underlying principle is to consider inflationary increases wherever possible to support corresponding increases in the Council's own costs in delivering the associated service(s). The current rate of inflation (RPI) based on November 2022 figure is 14%, with predictions of further increases going into 2023. With such a high rate of inflation it may not necessarily be practical / possible to 'translate' such an increase into the actual fee increase proposed. Therefore, set against this inflationary context, any proposed increases in fees and charges must be balanced

against other considerations / market conditions, whilst also recognising the restrictions placed on local authorities in terms of setting fees and charges on a cost recovery basis. Further details relating to any proposed increases to fees and charges is set out below.

Any changes to income budgets resulting from any changes in the level of fees and charges agreed, will form part of the detailed budget setting process for 2023/24.

Significant changes to income budgets are not anticipated as a consequence of the fees and charges set out later in this report.

A summary of the main changes proposed are as follows:

- Generally overall we have applied a 15% inflationary increase to the fees and charges, due to the fact that most of the fees relate to commercial activities and not the delivery of direct services to individuals. This increase reflects the 14% published RPI figure for November.
- Garage rents have been increased by 7% in line with the increase applied to garages held within the Housing Revenue Account

The cost of service delivery and the total anticipated fee income for 2022/23 and 2023/24 is shown below:

**Housing Chargeable Services** – Includes Recharges as mostly salary based

Item	2022/23	2023/24	Change
Cost of service	152,810	160,450	7,640
Total Fee Income	3,200	3,680	480
Difference	149,610	156,770	7,160

**The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:**

Although there are no further comments over and above those set out elsewhere in the report, it is important to highlight that the demand / volumes used to calculate the estimated total income figures included within this report are based on those held by the Service. The estimated additional income highlighted above will be incorporated within the budget proposals for 2023/24.

**USE OF RESOURCES AND VALUE FOR MONEY**

The following are submitted in respect of the indicated use of resources and value for money indicators:

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services.	Please see relevant comments elsewhere in this report.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks.	

C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	
<b>MILESTONES AND DELIVERY</b>	
Fees and Charges for 2023/24 form part of the wider budget setting process, which culminates in the detailed estimates being presented to Full Council in February 2023. Fees and Charges must therefore be approved in advance of this date.	
<b>ASSOCIATED RISKS AND MITIGATION</b>	
There is a risk that businesses will chose not to pay the fees. With payment of the fees being a requirement for obtaining the service or statutory licence required to run their business it is not anticipated that many will take this route.	
<b>EQUALITY IMPLICATIONS</b>	
Fees will apply equally to all businesses in accordance with the type of activity the fee is levied for.	
<b>SOCIAL VALUE CONSIDERATIONS</b>	
The charging of fees enables the Council to undertake the statutory function for which the fee relates. Overall the service seeks to improve the economic, social and environmental wellbeing of the area through the work undertaken.	
<b>IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030</b>	
The proposed decision is neutral in relation to the Council's emissions ambitions.	
<b>OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS</b>	
<b>Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.</b>	
<b>Crime and Disorder</b>	The changes introduced do not have implications on these considerations and apply equally to transactions irrespective of the area or ward in which the matter is located.
<b>Health Inequalities</b>	
<b>Area or Ward affected</b>	

## PART 3 – SUPPORTING INFORMATION

<b>BACKGROUND</b>
Income from fees and charges form an important element of the budget and the financial sustainability of the Council as set out in the long term forecast.
Similarly to previous years, Departments have been asked to review their fees and charges on an individual basis as changes may need to be made to meet specific aims or strategic objectives or in some cases in response to external factors such as market forces.
The review of fees and charges has been set against the following key principles:
<ul style="list-style-type: none"> <li>• general inflationary increases where possible or lower where appropriate / justified</li> <li>• amounts rounded for ease of application, which may result in a slightly above inflation increase.</li> <li>• on a cost recovery basis as necessary</li> <li>• reflect statutory requirements.</li> <li>• increases where market conditions allow</li> </ul>

- to meet specific priorities or service delivery aims / objectives

As highlighted earlier in this report, the Council faces a number of significant financial challenges in 2023/24 and beyond. It is therefore important that fees and charges are considered against this context and to maximise income opportunities where possible, albeit whilst balancing the various issues highlighted above.

Income budgets included in the detailed estimates will reflect any required changes from the proposed fees and charges set out in this report.

### **Housing & Environment – Housing General Fund - PROPOSED FEES AND CHARGES 2023/24**

Set against the current fees and charges for 2022/23, **Appendix A** includes the schedule of fees and charges proposed for 2023/24, which have been developed by applying the key principles highlighted above.

As part of this review, a comparison of licencing fees was undertaken with other councils in Essex using benchmarking data. In general we have applied an inflationary increase of 15% or 7% in the case of garage rents. Some fees are subject to statutory limits and have not therefore been altered.

### **PREVIOUS RELEVANT DECISIONS**

Decision of the Assistant Director – Housing & Environment 9<sup>th</sup> February 2022

### **BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL**

None

### **APPENDICES**

**Attached – Detailed fees and charges 2023/24 for Housing & Environment – Housing General Fund**

### **REPORT CONTACT OFFICER(S)**

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