

## Portfolio Holder for Housing

January 2024

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

#### A.1 Housing & Environment - Housing General Fund - Proposed Fees and Charges for 2024/25

(Report prepared by Grant Fenton-Jones)

#### PART 1 – KEY INFORMATION

##### **PURPOSE OF THE REPORT**

To seek the Portfolio Holder's concurrence to the proposed schedule of fees and charges 2024/25 for Housing & Environment – Housing General Fund.

##### **EXECUTIVE SUMMARY**

- This report sets out the proposed fees and charges for 2024/25 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 included in the detailed budget proposals for 2024/25 that will be considered by Cabinet / Full Council this year.
- In respect of Full Council this year, the individual decisions agreeing fees and charges will be collated and presented as part of the overall budget setting process for 2024/25.

##### **RECOMMENDATION(S)**

**That the Schedule of Fees and Charges 2024/25 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 2024/25.

##### **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 Andy Baker, 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)**

|   |    |   |   |
|---|----|---|---|
| Is the recommendation a Key Decision (see the criteria stated here) | No | If Yes, indicate which by which criteria it is a Key Decision   | <input type="checkbox"/> Significant effect on two or more wards<br><input type="checkbox"/> Involves £100,000 expenditure/income<br><input type="checkbox"/> Is otherwise significant for the service budget |
|   |    | 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) |   |

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.

Trading and the power 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.

The Housing Act 2004, Part 2, section 63 (3), (7), allows Local Authorities to charge fees for licensing provisions for Houses in Multiple Occupation.

The Housing Act 2004, section 49, affords Local Authorities with powers to charge for the service of enforcement notices.

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

The Smoke & Carbon Monoxide Regulations (England) 2015, affords Local Authorities powers to impose fines for breaches of the aforementioned Regulations.

The Electrical Safety Standards in the Private Rented Sector (England), Regulations 2020, affords Local Authorities powers to impose fines for breaches of the aforementioned

## Regulations.

The Housing & Planning Act 2016 amends The Housing Act 2004, (under section 249A – Financial Penalties, and section 13A – Recovery of Financial Penalties, which allows Local Authorities to impose fines for breaches of certain Housing related offences.

The Property Management Redress Scheme, affords Local Authorities powers to impose fines for failure to belong to one of the approved schemes regarding the security of rent deposits.

Under Para 4.4.1 (8) Part 3.4 of the Council's Constitution, all Assistant Directors, in consultation with the relevant Portfolio Holder, 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:**

No comments

## **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 on-going financial challenges faced by the Council from 2024/25, 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 remains relatively high and 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 as set out within the legal section above. 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 2024/25.

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 4% 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. The proposed increase reflects on-going general inflationary pressures experienced in 2023/24 and those estimated in 2024/25, and

therefore, a 4% increase is proposed for 2024/25. Licences are issued for a period of five years, so in some years the income revenue is greater than in others.

- Garage rents have been increased by 7.7% and this reflects the increase in line with the Regulator for Social housing guidance that allows rents to be increased by CPI+1% each year (based on the CPI rate of the preceding September).

**Housing Portfolio – Costs for the Licensing Functions within the Environmental Health Service**

| Item             | 2023/24 | 2024/25 | Change |
|------------------|---------|---------|--------|
| Cost of service  | 128,310 | 132,160 | 3,850  |
| Total Fee Income | 3,200   | 3,360   | 160    |
| Difference       | 125,110 | 128,800 | 3,690  |

**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 any 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 2024/25 as necessary.

**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. |  |

**MILESTONES AND DELIVERY**

Fees and Charges for 2024/25 form part of the wider budget setting process, which culminates in the detailed estimates being presented to Full Council in February 2024. Fees and Charges must therefore be approved in advance of this date.

**ASSOCIATED RISKS AND MITIGATION**

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.

**EQUALITY IMPLICATIONS**

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>  |
|--|
| <p>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.</p> <p>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.</p> <p>The review of fees and charges has been set against the following key principles:</p> <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> <li>• to meet specific priorities or service delivery aims / objectives</li> </ul> <p>As highlighted earlier in this report, the Council continues to face a number of significant financial challenges in 2024/25 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.</p> <p>Income budgets included in the detailed estimates will reflect any required changes from the proposed fees and charges set out in this report.</p> |
| <b>Housing &amp; Environment – Housing General Fund - PROPOSED FEES AND CHARGES 2024/25</b>  |
| Set against the current fees and charges for 2023/24, <b>Appendix A</b> includes the schedule of fees and charges proposed for 2024/25, 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 4% or 7.7% 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 – 28<sup>th</sup> March 2023

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

None

#### **APPENDICES**

Attached – Detailed fees and charges 2024/25 for Housing & Environment – Housing General Fund

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

|                        |   |
|------------------------|---|
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## Appendix A- Current & Proposed Fees & Charges 2024/25

|  |        | 2023/24  | 2023/24  | 2024/25  | 2024/25  |   |
|--|--------|----------|----------|----------|----------|---|
| <b>GARAGE RENTS</b>  |        |          |          |          |          |   |
| Non-statutory (subject to VAT if separately let to non-council tenants) (see note 1) | Apr-23 | 10.27    | 10.27    | 11.06    | 11.06    | * |
| <b>QUESTIONNAIRES</b>  |        |          |          |          |          |   |
| House Renovation Grants - Enquiries on sale or repossession of property (see Note 2) | Apr-22 | 102.00   | 122.40   | 102.00   | 122.40   | V |
| <b>MANDATORY LICENSING SCHEME FOR HMO'S</b>  |        |          |          |          |          |   |
| Licence Fee (first licence)  | Apr-23 | 844.00   | 844.00   | 878.00   | 878.00   | N |
| Licence Fee (renewal of licence)   | Apr-23 | 844.00   | 844.00   | 878.00   | 878.00   | N |
| Charge per additional room for HMO over 6 units                                      | Apr-23 | 24.00    | 24.00    | 25.00    | 25.00    | N |
| <b>HOUSING ACT 2004 NOTICES</b>  |        |          |          |          |          |   |
| Improvement Notice (see note 3)  | Apr-23 | 483.00   | 483.00   | 502.00   | 502.00   | N |
| Prohibition Notice (see note 3)  | Apr-23 | 603.00   | 603.00   | 627.00   | 627.00   | N |
| Emergency Remedial Action Notice (see note 3)  | Apr-23 | 483.00   | 483.00   | 502.00   | 502.00   | N |
| <b>SMOKE &amp; CARBON MONOXIDE ALARM (ENGLAND) REGULATIONS 2015</b>                  |        |          |          |          |          |   |
| First Offence  | Apr-23 | 1,362.00 | 1,362.00 | 2,550.00 | 2,550.00 | N |
| Failure to Comply or pay Fine  | Apr-23 | 5,100.00 | 5,100.00 | 5,000.00 | 5,000.00 | N |
| Subsequent Offences  | Apr-23 | 5,100.00 | 5,100.00 | 5,000.00 | 5,000.00 | N |
| <b>ENERGY REGULATION FINES 2015 (see note 4)</b>                                     |        |          |          |          |          |   |
| Breaches in relation to Regulation 23 in a domestic property                         |        |          |          |          |          |   |
| Less than 3 months   | Apr-23 | 2,000.00 | 2,000.00 | 2,000.00 | 2,000.00 | N |
| 3 months or more   | Apr-23 | 4,000.00 | 4,000.00 | 4,000.00 | 4,000.00 | N |
| False or misleading information - Regulation 36(2)                                   | Apr-23 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | N |
| Failure to comply with a compliance notice – Regulation 37(4)(a)                     | Apr-23 | 2,000.00 | 2,000.00 | 2,000.00 | 2,000.00 | N |



**CIVIL PENALTIES (see note 5)**

Ranging up to a maximum of £30,000.00

Calculated in accordance with published Private Sector Housing Enforcement and Civil Penalties Policy

**THE ELECTRICAL SAFETY STANDARDS IN THE PRIVATE RENTED SECTOR (ENGLAND) REGULATIONS 2020 (see note 6)**

Ranging up to a maximum of £30,000.00

Calculated in accordance with published Private Sector Housing Enforcement and Civil Penalties Policy

**PROPERTY MANAGEMENT REDRESS SCHEME (see note 7)**

Maximum of £5,000.00

**Notes:**1) Garage Rents

These are reviewed as part of the associated Housing Revenue Account Budgets.

2) Questionnaires

The charge to private finance companies for responding to enquiries in respect of private sector renovation grants on the sale or repossession of properties.

3) Housing Act 2004 Notices

Plus any additional costs reasonably incurred in determining whether to serve notice and the action(s) specified therein e.g. gas and electrical costs.

4) Energy Regulation Fines 2015

The proposed fees are the maximum allowable under the regulations. Where imposed the total financial penalties cannot be more than £5,000.

5) Civil Penalties

Score per offence calculated in accordance with published Private Sector Housing Enforcement and Civil Penalties Policy

Maximum Fine of £30,000.00 (unless enforcement of Management Regulations where fine can be £30,000.00 per breach)

6) The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020

Maximum fine of £30,000.00

7) Property Management Redress Scheme

Max Fine of £5,000.00

|                                 |   |
|---------------------------------|---|
| * Garage Rent - VAT:            |   |
| Parking                         | V |
| Storage:                        |   |
| Homeless persons goods          | N |
| Premises suitable for parking   | V |
| Premises unsuitable for parking | X |