

## East Herts Council Report

### Executive

**Date of meeting:** 23 November 2021

**Report by:** Councillor Linda Haysey, Leader of the Council and Councillor Geoffrey Williamson, Deputy Leader of the Council and Executive Member for Financial Sustainability

**Report title:** Transforming East Herts programme and proposed revised Fees and Charges Policy

**Ward(s) affected:** All

### Summary

- The purpose this report is to highlight progress on the council's ***Transforming East Herts*** programme and bring forward key elements of the programme which require the Executive's endorsement or approval.
- Presented in this report is the revised Fees and Charges Policy. The aim of this policy is to provide a framework for how East Herts Council approaches the question of charging for its services. The application of this policy should bring greater clarity and consistency to:
  - the process of setting charges;
  - reviewing charges for existing services; and
  - setting charges for any services which are not currently charged for.

Development of this policy is part of the Commercial work strand of the ***Transforming East Herts*** Programme.

## RECOMMENDATIONS FOR EXECUTIVE:

- A. Consider and comment on progress the ***Transforming East Herts*** programme as presented in **Appendix A**;
- B. Approve the governance structure for the ***Transforming East Herts*** programme, as presented in **Appendix B**, including the Member Stakeholder Group whose remit is to include receiving and advising on options for the Wallfields building as they emerge;
- C. Endorse the revised Fees and Charges Policy, included at **Appendix C** and recommend it to Council for approval.

### 1.0 Proposal(s)

- 1.1 The Executive received a detailed report on the launch of ***Transforming East Herts*** programme at its meeting of 6<sup>th</sup> July 2021. **Appendix A** provides an update on progress to date. Members are invited to consider and comment on the work thus far.
- 1.2 It is recommended that the governance structure for the programme, included in the overall approach discussed with the Executive at its meeting of 6<sup>th</sup> July 2021, is now adopted with options for alternative uses for the Wallfields building as they emerge to be presented to the ***Transforming East Herts*** Member Stakeholder Group for consideration and comment. The governance structure is presented in **Appendix B**.
- 1.3 The revised Fees and Charges Policy is the first key action for member consideration arising from the ***Transforming East Herts***. The revised policy, presented in draft form in Appendix C, has been developed as part of the ***Transforming East Herts*** programme's Commercial work strand. The policy aims to

ensure fees and charges are set in line best practice and thus the council's responsibility for the proper administration of its financial affairs is discharged.

- 1.4 In addition, the policy proposes a more commercial approach to charging for all services where it is permissible to charge with the aim of recovering the total cost of providing the service except where specific conditions apply or the council choose to make concessions linked to an Equalities Impact Assessment.

## **2.0 Background**

- 2.1 At its meeting of 6<sup>th</sup> July 2021, the Executive considered a detail report which outlined the council's proposed approach to transforming the operation of the council so that *'By 2025 East Herts Council will be a customer focused, financially sustainable, effective organisation with flexible, empowered employees'*.

### ***Progress on Transforming East Herts programme***

- 2.2 At the same meeting, the Executive authorised officers to commence the 'discovery' phase of the programme, with an update to be brought back to Executive in Autumn 2021. The ***Transforming East Herts*** discovery phase is now well underway across all six work strands and constituent work packages of the programme, these being:

<b>Work strands and constituent work packages</b>	
<b>Commercial skills</b>	
	Commercial strategy
	Fees and Charges Policy
<b>Lean processes</b>	
	Corporate business support hub
	Options appraisal and business case for one customer view / Customer Relationship Management (CRM)
<b>Modern workforce development</b>	
	Blended working policy
	Staff development allied to delivery of <b><i>Transforming East Herts</i></b> , including commercial skills training and lean / six sigma training
<b>Modern workspace</b>	
	Work space needs and options
	Modern front of house
	Asset management strategy
<b>Service reviews - overall work strand</b>	
	Service review framework
	Planning service review
<b>Technology</b>	
	ICON review
	Microsoft 365 deployment
	ICT equipment / telephony review and deployment

- 2.3 Members are invited to consider and comment upon the detailed progress report on the overall Transforming East Herts Programme included at **Appendix A**.
- 2.4 A number of key aspects of the programme are well underway and will be subject to report to the Executive for consideration and decision within the coming few months. Of note:
- a business case for a Customer Relationship Management (CRM) system has been developed which will enable the

council to automate more customer queries and drive efficiencies

- mapping of all officers working in business support roles has commenced to establish administrative and customer services functions which can be consolidated into a central hub
- commercial letting agents have viewed the Wallfields offices and given indicative rental incomes along with their advice on works necessary to facilitate letting and maximise rental income. This report is recommending the establishment of a ***Transforming East Herts*** Member Stakeholder Group whose remit would include receiving and advising on options for the Wallfields building as they emerge – refer to Appendix B for the proposed governance structure
- £50k grant funding has been secured from funds held by Hertfordshire County Council’s Public Health team to facilitate the new, safe ways of working between office and home. This will contribute to funding new laptops to enable the new blended way of working. The laptop specification is currently being finalised.
- exploration has commenced of migrating to a MITEL cloud telephony solution which can be used on laptops and mobiles via an app. This will add connectivity in the new blended way of working.
- an additional £15k of funding from the HCC held funds has been secured for further video and audio equipment in meeting rooms.

### ***Revised Fees and Charges Policy***

- 2.5 The revised Fees and Charges Policy is part of the ***Transforming East Herts*** Programme Commercial work strand. This is presented at **Appendix C**.

- 2.6 In recent years there has been increasing pressure on local authorities to make best use of the positive potential of charges and to recognise the importance of recovering costs by charging for services. Some authorities have amended their approach to charging as a significant element of their work to limit the increase in council tax.
- 2.7 This policy was reviewed and redrafted by the Head of Strategic Finance & Property, with input from the Head of Operations and Head of Housing and Health. The revised policy proposes a more commercial approach to charging for all of the council's services where it is permissible to charge, with the presumption that a charge is set that recovers the total cost of providing the service except where specific conditions apply or the council choose to make concessions linked to an Equalities Impact Assessment.
- 2.8 The decision on whether to make a charge (and its level) is not always within the control of the council as some charges are set by central government. Where charges are, however, within the council's control, it is important that the implications of the charging decisions being taken are fully understood and that members have the appropriate information they need to make informed choices.
- 2.9 The purpose of the revised Fees and Charges Policy is to provide a framework for how East Herts Council approaches the question of charging for its services. The application of this policy should bring greater clarity and consistency to the process of setting charges and will therefore assist the council achieve its corporate objectives. It is intended to help guide the process of reviewing charges for services where a charge is already made, setting charges for the first time for existing services and setting charges for any new services in the future.

2.10 The Local Government Act 2000 gave local authorities a wide power to act for the economic, social and environmental well-being of their areas. The general power to charge for discretionary services was included in the Local Government Act 2003. Key points arising from these acts are summarised below:

2.9.1 authorities are under a duty to secure that, taking one year with another, the income from charges do not exceed the cost of provision;

2.9.2 authorities must already have the power to provide the service and the recipient of the discretionary service must have agreed to its provision and to pay for it. Conversely, the 2003 Act does not override any provisions which either expressly prohibit the charging for the service or confer a power to charge; and

2.9.3 charges may be set differentially, so that different people are charged different amounts;

2.9.4 authorities are not required to charge for discretionary services and may provide them free if they so decide.

2.11 It is recognised that a charge may not be appropriate in all cases. A number of exceptions could apply such as a universal service which residents could reasonably expect the costs of which to be covered by their council tax payments, for example residual waste and recycling collections.

2.12 The revised policy emphasises the crucial principle that the level of a charge needs to at least cover the actual cost of the service. The policy proposes that the council deems that the total cost includes an appropriate proportion of the Corporate and Democratic Core. The council could also exercise its

powers to make differential charges for particular groups.

- 2.13 It is important to bear in mind that the proposed Fees and Charges Policy does not aim to exploit those paying for a service from the council. As noted above, the policy aims to see charges cover the council's cost with any small surplus income that may arise being utilised to be fund council priorities.

### **3.0 Reason(s)**

- 3.1 The update on the ***Transforming East Herts*** programme has been provided so as to give the Executive an oversight of and opportunity to review and interrogate this important initiative that has been devised to contribute to the council's need to find £3m of savings over the coming four years.
- 3.2 The proposed revised Fees and Charges Policy has been presented so as able the Executive to review it and determine whether to recommend it to Council for approval. The policy itself aims to provide the council with a framework for the setting of fees and charges in line best practice so as to assist the council in discharging its responsibility for the proper administration of its financial affairs.

### **4.0 Options**

- 4.1 In relation to the proposed governance structure:
- choose not to endorse the proposed structure – NOT RECOMMENDED as the structure was first shared with the Executive at it 6<sup>th</sup> July 2021 meeting as part of the proposed overall approach to transformation and was considered fit for purpose. The recommendation is now to formally approve the structure and make it clear that the Member Stakeholder Group's remit includes receiving



and advising on options for the Wallfields building as they emerge. Without a clear and streamlined governance structure, progress is likely to be hampered

- choose to amend the governance structure. Should members wish to do this, officers would ask that any proposed amendments are clearly articulated and recorded through approved of an amended recommendation
- approve the governance structure as presented in **Appendix B – RECOMMENDED** so as to provide a clear and streamlined structure for this important programme.

#### 4.2 In relation to the proposed Fees and Charges Policy:

- choose not to endorse the proposed revised and Fees and Charges Policy – **NOT RECOMMENDED** as arguably the council requires guidance on setting appropriate fees and charges as without this the council could (a) forego income it could legitimately raise and/or (b) increase the risk of successful challenge to any charges it does make on the grounds that the levels set do not accord with national legislation or guidance nor have been set in a transparent way. In addition, choosing not recommend the policy to Council could lead to inconsistent charges and potential challenge through the courts to reduce charges and net income citing other charges which do not recover full cost or offer concessions not linked to an equalities impact assessment
- choose to seek substantive amendments to the proposed revised Fees and Charges Policy prior to recommendation to Council. Should members wish to follow this approach, officers would ask that any proposed amendments are clearly articulated that officers can assess them against national guidance and/or legislation prior to determining their inclusion in any revised version

- endorse the proposed revised Fees and Charges Policy and recommend it to Council for approval – **RECOMMENDED** for the reasons outlined in this report.

## **5.0 Risks**

5.1 By not endorsing a consistent policy on charging and concessions the council risks charges and concessions being challenged in the courts. The council also risks being accused of contravention of the Local Government Act 2003 or of breaches of the equality duty.

## **6.0 Implications/Consultations**

### **Community Safety**

None arising directly from this report.

### **Data Protection**

None arising directly from this report.

### **Equalities**

The revised Fees and Charges Policy will be subject to an equalities impact assessment prior to presentation to Council for consideration. Of note, the revised policy requires particular concessions to be linked explicitly to an equalities impact assessment relating to the proposed charge thus ensuring that charges and concessions are in line with the council's equalities duty.

### **Environmental Sustainability**

The revised Fees and Charges Policy allows charges to affect behaviour that would reinforce the council's environmental sustainability policies.

### **Financial**

The revised Fees and Charges Policy will ensure that charges meet the total cost of providing services, including an appropriate share of

Corporate and Democratic Core costs, which should increase the net income the council receives.

### **Health and Safety**

None arising directly from this report.

### **Human Resources**

The proposed requirement for charges to be made in advance and by card should decrease administration and thus the work staff will have to do to collect income.

### **Human Rights**

None arising directly from this report.

### **Legal**

The revised Fees and Charges Policy will ensure the council sets charges in accordance with powers granted under the Local Government Act 2003. And the conditions listed in paragraphs 2.4.1 to 2.4.3. As part of the Budget and Policy Framework.

### **Specific Wards**

No.

## **7.0 Background papers, appendices and other relevant material**

**Appendix A – *Transforming East Herts*** programme progress update

**Appendix B** – proposed ***Transforming East Herts*** governance structure

**Appendix C** – draft revised Fees and Charges Policy

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***Revised Fees and Charges Policy***

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