

Committee: Police	Date: 4 th July 2014
Subject: Fees and Charges 2014/15	Public
Report of: Commissioner of Police Pol 48/14	For Decision
<p style="text-align: center;"><u>Summary</u></p> <p>This report seeks Member's approval to the schedule of Fees and Charges for the financial year 2014/15, in accordance with Financial Regulations. In addition, explicit approval is sought for the continuing use of the same hourly charge rates for Private Services provided by the City of London Police (CoLP) with that calculated by the Metropolitan Police Service (MPS), and the adoption of the schedule of rates determined by the MPS for the provision of market non-competitive activities. In general, the adoption of the MPS schedule of rates will result in an increase of 2% in charges.</p> <p>RECOMMENDATIONS</p> <p>It is recommended that Members :</p> <ul style="list-style-type: none"> • Agree Appendix 1 (Special Services of Police Charges 2014/15) thereby giving explicit approval to the continuing use of the hourly charge rates for Private Services provided by the Metropolitan Police Service (MPS). • Agree Appendix 2 (General Fees and Charges) hereby implementing the schedule of rates for the provision of market non-competitive activities, and in particular agree to follow the MPS scale of charges for 2014/15. 	

MAIN REPORT

BACKGROUND

1. The Force has an obligation to review all Fees and Charges levied annually. This review is undertaken in accordance with ACPO Guidance available, and in liaison with the Metropolitan Police Service (MPS) to ensure uniformity of charges across London.
2. On 5 September 2006, Members approved the selected use of MPS rates for 2006/07 with similar approvals being given for subsequent years. The rationale for adopting this policy is set out below, and still applies. The report therefore seeks approval for this arrangement to continue for 2014/15.

CURRENT POSITION

3. Powers to recover costs for policing services from third parties are provided under Section 25 of the Police Act 1996.
4. Section 15 of the Police Reform and Social Responsibility Act 2011 provides the legislative powers to charge for the supply of goods and services to a third party. These goods and services fall into two categories:
 - Market competitive goods and services – where charges are set in accordance with “what the market will bear”.
 - Market non-competitive activity – which is essentially a by-product of core policing activity.
5. In addition to Special Services of Police Charges for 2014/15, Appendix 1 also refers to the charges for the use of Custody by the UK Home Office Immigration Enforcement (H.O.I.E.) formerly UK Borders Agency (UKBA). On 1 April 2013, the UKBA ceased to exist, with responsibility split between two Home Office Commands. It is proposed that the Force continues to adopt the MPS rates until such time as an agreement between the Home Office and ACPO is reached on a national formula.
6. The table below shows the budget profile and outturn position for the 2013/14 financial year for fees and charges levied by the Force.

Type of Fee/Charge	£'000			Reason for Variance
	Budget	Actual	Variance	
Criminal Records Bureau	0	39	39	Income from the Disclosure and Barring services – higher than anticipated due to the volatility of the income from this source.
Training Delivery Charges	0	2	2	Unbudgeted charges to College of Policing for the provision of 10 Days delivery of training.
Firearms Course	0	14	14	Provision of BTP Training course, whilst BTP were awaiting their own provisional licence. This was unbudgeted income due to unpredictability.
Developing Photos	0	10	10	Income for developing photos from the Metropolitan Police regarding the London Safety Camera Partnership relating to development of Wet films by Scientific Service Unit (SSU). This income was unbudgeted due to its uncertainty.
Document Copies	21	13	(8)	Reduced income as lower demand than in previous years for requests relating to collisions
Pound Income	108	117	9	Increased income received by the Pound than budgeted as more vehicles seized than previously. (All seizures).
Private Service	580	585	5	Variance is within 1% of budget
UKBA Charges for use of Custody	5	7	2	Increased budgeted income received as higher than anticipated rechargeable usage of custody facilities

Project Griffin Training	18	11	(7)	Reduced income received due to lower demand than in previous years for Project Griffin Security Training provided by City of London Police
Licences/Certificates	4	0	(4)	Income expected from the Late Night Levy did not occur now due to commence in October 2014
Court Costs	66	140	74	Greater than anticipated income relating to court forfeitures and Defendant's funds.
Total	802	938	136	

7. This table illustrates that the Force earned £136 K more income than it budgeted for in fees and charges during 2013/14, mainly due to higher than anticipated income from CRB charges, Court Costs and Pound and Private Services of police.

OPTIONS

8. The Force currently adopts the MPS schedule of hourly rates for Private Service and market competitive goods and services. This approach was adopted because the City of London Police works in partnership and collaboration with the MPS on a number of operations including core policing services covered by mutual aid agreements and for private services, for example, policing football matches. In addition, both forces have similar cost drivers for many services.
9. The MPS have a responsibility to review their charges in line with ACPO Protocol and have done so for the 2014/15 financial year.
10. The alternative is for the City of London Police to set its own fees and charges. However, the two forces have similar cost bases for salaries and London rates for accommodation, and the MPS rates are calculated to recover full costs. If the City of London Police were to raise its charges above those levied by the MPS it is likely that less total revenue would be generated, as potential clients would probably choose to contract the MPS. The CoLP elects not to charge less than the MPS as we would fail to cover our full costs. Finally, the ACPO Guidance states "It should be remembered that there is a balance to be struck between precision and materiality, whilst striving to maintain a consistent approach to the charging methodology".

PROPOSALS

11. This report proposes that the City of London Police continues to adopt the MPS Fees and Charges for the 2014/15 financial year. This approach is consistent with the spirit of the ACPO Guidance on Charging for Police Services. In general, the adoption of the MPS schedule of rates will result in an increase of 2% in charges.
12. The proposed rates are set out in Appendix 1 for Special Services of Police; Appendix 2 contains the rates for market non-competitive activities.

CONCLUSION

13. The Force seeks to achieve consistency with the MPS on its Fees and Charges so not to create unnecessary competition within the London area. The approach to adopt the MPS Fees and Charges supports this.

Background Papers:

Fees and Charges 2014-15

Appendices

Appendix 1: Special Services of Police – Charges 2014/15

Appendix 2: General Fees and Charges 2014/15

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