

5 January 2017		ITEM: 6
Planning, Transport, Regeneration Overview & Scrutiny Committee		
Fees & Charges Pricing Strategy 2017/18		
Wards and communities affected: All	Key Decision: Key	
Report of: Carl Tomlinson, Finance Manager		
Accountable Head of Service: Andy Millard, Head of Planning & Growth Ann Osola, Head of Transportation & Highways		
Accountable Directors: Steve Cox, Corporate Director for Environment and Place		
This report is Public		

Executive Summary

Local Authorities are involved in a wide range of services and the ability to charge for some of these services has always been a key funding source to Councils.

This report specifically sets out the charges in relation to services within the remit of this Overview and Scrutiny Committee. Charges will take effect from the 1 April 2017 unless otherwise stated.

In preparing the proposed fees and charges, Directorates have worked within the charging framework and principles set out in the report.

The full list of proposed charges is detailed in Appendix 1 to this report.

The proposed deletion of current fees and charges are detailed in Appendix 2 to this report.

1. Recommendations

- 1.1 That Planning, Transport, Regeneration Overview and Scrutiny Committee note the revised fees and charges proposals including those no longer applicable**
- 1.2 That Planning, Transport, Regeneration Overview and Scrutiny Committee comment on the proposals currently being considered within the remit of this committee**

2. Background

2.1 The paper describes the fees and charges approach for the services within the Planning, Transport, Regeneration Scrutiny Committee remit for 2017/18 and will set a platform for certain pricing principles moving forward into future financial years.

2.2 The paper provides narrative for the following areas:

- Parking
- Highways Maintenance and Permitting
- Development Control
- Building Control
- Land Charges

2.3 The fees & charges that are proposed are underpinned in some instances by a detailed sales and marketing plans for each area. This will ensure delivery of the income targets for 2017/8, for ease these are summarised below

Service: £000's	Actual 15/16	Budget 16/17	Budget 17/18
Parking	789	952	980
Highways Maintenance	119	192	197
Highways and Transportation Other	33	126	129
Development Control	960	896	923
Building Control	285	266	273
Land Charges	301	195	201
Commercial Hall Hire	24	22	23
TOTAL	2,511	2,649	2,726

3. Thurrock Charging Policy

3.1 The strategic ambition for Thurrock is to adopt a policy on fees and charges that is aligned to the wider commercial strategy and ensures that all discretionary services cost recover.

3.2 Furthermore, for future years, while reviewing charges, services will also consider the level of demand for the service, the market dynamics and how the charging policy helps to meet other service objectives.

3.3 When considering the pricing strategy for 2017/18 some key questions were considered.

- Where can we apply a tiered/premium pricing structure
- How sensitive are customers to price (are there areas where a price freeze is relevant)
- What new charges might we want to introduce for this financial year

- How do our charges compare with neighbouring boroughs
- How do our charges compare to neighbouring boroughs and private sector competitors (particularly in those instances where customers have choice)
- How can we influence channel shift
- Can we set charges to recover costs
- What do our competitors charges
- How sensitive is demand to price
- Statutory services may have discretionary elements that we can influence
- Do we take deposits, charge cancellation fees, charge an admin fee for duplicate services (e.g. lost certificates.)

4. Proposals and Issues

- 4.1 The fees and charges for each service area have been considered and the main considerations are set out below.
- 4.2 A council wide target of £0.350m has been proposed within the MTFS for additional income generation in respect of fees and charges income for 2017/18.

5. Parking

- 5.1 Historically the council has increased parking charges in line with inflation with increases for on-street and off-street in alternate years. For 2017/18, given the level of charges in Thurrock and restrictions on ticket machines, on-street charges are increasing in line with inflation and rounded for customer convenience.
- 5.2 Charges for the suspension of parking bays have been increased to bring in line with comparable authorities. A new charge is proposed for controlled parking zone NHS permits to bring in line with the approach taken for Council staff.

6. Highways Maintenance

- 6.1 Charges have been increased in line with inflation. There has been a change in arrangements for vehicle crossing applications. The council no longer acts as agent for completion of the works although current applications will be honoured. In future the council will charge a fee for assessing the safety and suitability of the proposal in line with council highways policies. The charge for white line bar markings has increased from £60 to £150 to bring the charge in line with delivery cost.

7. Highways Permitting

- 7.1 There is a separate paper on the agenda setting out the council's intention to move from highways noticing to a highways permitting scheme.

8. Development Control

- 8.1 Fee income is dependant entirely on market forces and the majority of fees are nationally set. Whilst the market has been strong in the previous two years this cannot be a guarantee of future income levels. Even a small downturn in the market, could see a reduction in the number of planning applications.

9. Building Control

- 9.1 Fee income is dependant entirely on market forces. In 2016/17 the Service is on target to produce a small surplus of income over expenditure. The Building Control account is governed by legislation that requires that that Council does not produce a profit or loss over a rolling three year period and that any increase in income has to be ring-fenced within the Building Control account.

10. Land Charges

- 10.1 Local Land Charge (LLC) income is derived from charges associated with the sale and purchase of property in Thurrock. This account functions on a cost recovery basis, therefore any increase in income cannot be used outside of the LLC budget.

11. Reasons for Recommendation

- 11.1 The setting of appropriate fees and charges will enable the Council to generate essential income for the funding of Council services. The approval of reviewed fees and charges will also ensure that the Council is competitive with other service providers and neighbouring councils.

12. Consultation (including Overview and Scrutiny, if applicable)

- 12.1 Consultations will be progressed where there is specific need. However, with regard all other items, the proposals in this report do not affect any specific parts of the borough. Fees and charges are known to customers before they make use of the services they are buying.

13. Impact on corporate policies, priorities, performance and community impact

- 13.1 The changes in these fees and charges may impact the community; however it must be taken into consideration that these price rises include inflation and no profit will be made on the running of these discretionary services.

14. Implications

14.1 Financial

Implications verified by: **Carl Tomlinson**
Finance Manager

Additional income will be generated from increases but this is variable as it is also dependent on demand for the services. Increases to income budgets have been built into the MTFS.

14.2 Legal

Implications verified by: **David Lawson**
Monitoring Officer

Fees and charges generally fall into three categories – Statutory, Regulatory and Discretionary. Statutory charges are set in statute and cannot be altered by law since the charges have been determined by Central government and all authorities will be applying the same charge.

Regulatory charges relate to services where, if the Council provides the service, it is obliged to set a fee which the Council can determine itself in accordance with a regulatory framework. Charges have to be reasonable and must be applied across the borough.

Discretionary charges relate to services which the Council can provide if they choose to do so. This is a local policy decision. The Local Government Act 2003 gives the Council power to charge for discretionary services, with some limited exceptions. This may include charges for new and innovative services utilising the power to promote environmental, social and economic well-being under section 2 of the Local Government Act 2000. The income from charges, taking one financial year with another, must not exceed the cost of provision. A clear and justifiable framework of principles should be followed in terms of deciding when to charge and how much, and the process for reviewing charges.

A service may wish to consider whether they may utilise this power to provide a service that may benefit residents, businesses and other service users, meet the Council priorities and generate income.

Decisions on setting charges and fees are subject to the Council's decision making structures. Most charging decisions are the responsibility of Cabinet, where there are key decisions. Some fees are set by full Council.

14.3 **Diversity and Equality**

Implications verified by: **Becky Price**
Community Development Officer

The Council has a statutory duty under the Race Relations Act 2000 (Amendment), the Disability Discrimination Act 2005 and the Sex Discrimination Act 1975 (Amendment) to promote equality of opportunity in the provision of services and employment. Decisions on setting charges and fees are subject to the Council's decision making structures. Concessions should be available to groups or individuals in the community, where the increase may result in them being excluded from particular activities.

14.4 **Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)**

None applicable.

15. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

None

16. Appendices to the report

Appendix 1 – Schedule of Proposed Fees and Charges for 2017/18.

Appendix 2 – Schedule of Fees and Charges that are no longer applicable.

Report Author:

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