

14 November 2017		ITEM: 5
Planning, Transport, Regeneration Overview & Scrutiny Committee		
Fees & Charges Pricing Strategy 2018/19		
Wards and communities affected: All		Key Decision: Key
Accountable Assistant Directors: Andy Millard - Assistant Director - Planning and Growth Ann Osola - Assistant Director - Transportation and Highways Detlev Munster – Assistant Director – Property and Assets		
Accountable Directors: Steve Cox - Corporate Director of 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 2018 unless otherwise stated. In preparing the proposed fees and charges, Directorates have worked within the charging framework and commercial principles set out in the report.

Further director delegated authority will be sought via Cabinet to allow Fees and Charges to be varied within financial year in response to legal, regulatory or commercial requirements.

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 Recommendation(s)

- 1.1 That Planning, Transport and Regeneration Overview and Scrutiny Committee note the revised fees, including those no longer applicable, and that Planning, Transport and Regeneration Overview and Scrutiny Committee comment on the proposals currently being considered within the remit of this committee**
- 1.2 That Planning, Transport and Regeneration Overview and Scrutiny Committee note that director delegated authority will be sought via Cabinet to allow Fees & Charges to be varied within a financial year in response to legal, regulatory or commercial requirements.**

2 Background

2.1 The paper describes the fees and charges approach for the services within the Planning, Transport and Regeneration Overview and Scrutiny Committee remit for 2018/19 and will set a platform for certain pricing principles moving forward into future financial years.

2.2 The paper provides narrative for the Planning, Transport and Regeneration areas:

- Transportation and Highways
 - Parking & Passenger Transport
 - Highways Infrastructure
 - Network Management
 - Transport Development
- Planning and Growth
 - Development Control
 - Building Control
 - Land Charges
- Corporate Property and Assets
 - Property related lease, letting and licensing

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 2018/19, for ease these are summarised below

2.4 Planning, Transport and Regeneration Figures

Service	Last Year Outturn 16/17	Revised Budget 17/18	Forecast Outturn 17/18	Proposed Budget 18/19
Planning, Transport and Regeneration Services	(2,977,301)	(2,937,979)	(2,845,242)	(2,879,543)

2.5 Individual Service Streams

Service	Last Year Outturn 16/17	Revised Budget 17/18	Forecast Outturn FY17/18	Proposed Budget 18/19
Building Control	(300,479)	(273,355)	(273,355)	(273,355)
Development Control	(1,220,378)	(977,502)	(977,502)	(977,502)
Land Charges	(300,394)	(216,216)	(216,216)	(216,216)
Strategic Planning	(5,650)	(4,578)	(4,578)	(4,578)
Bus Subsidy	(4,370)	(2,000)	(2,000)	(2,000)
Highways Maintenance	(217,164)	(231,489)	(197,188)	(231,489)
Parking	(817,365)	(1,044,810)	(1,044,810)	(1,044,810)
Road Safety & Traffic Management	(4,568)	(11,889)	(11,889)	(11,889)
Land and Buildings	(22,187)	(50,809)	(50,809)	(50,809)
Village Halls	(21,539)	(22,566)	(22,566)	(22,566)
Facilities (Civic & Thameside)	(63,207)	(102,765)	(44,329)	(44,329)
Planning, Transport and Regeneration Services Total	(2,977,301)	(2,937,979)	(2,845,242)	(2,879,543)

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 Rather than a set increase across all service lines, when considering the pricing strategy for 2018/19 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 £6,835m has been proposed within the MTFS for additional income generation in respect of fees and charges income for 2018/19, this represents a 4% increase from 2017/18.
- 4.3 For Planning, Transport and Regeneration Services the increase equates to a target of £2.879m to be secured through increased fees and charges in 2018/19. The increased fees and charges are challenging and represent our commercial ambitions as a Council.
- 4.4 To allow the Council services to better respond to changes in legal, regulatory or commercial challenges; delegated authority will be sought through Cabinet to permit the Director of the Service Area jointly with the Director of Commercial Services to vary these charges within financial year to comply with:
- legally prescribed statutory fees and charges which may be subject to prescribed variation during the year, and that it may be necessary to adjust the relevant fees and charges during the year to reflect a change to their cost recoverability calculation; and that

- discretionary services provided on a traded basis for profit may be subject commercial operational considerations, and that it may be necessary to adjust the relevant fees and charges during the year to reflect a change to their cost recoverability calculation

5 Transport & Highways

5.1 Visitors Permits

- Resident Permit schemes were introduced in order to preserve the limited parking spaces available on-street for residents around towns and train stations and to protect residents from the incursion of commuter parking.
- All residents entitled to a Residents' Permit are entitled to purchase Visitor Permits. Charges have remained unchanged for a number of years, the cost of which does not offer a reasonable return.
- With the first book of Visitor Permits free annually to each household within a Permit area, they are provided in blocks of 20 which equates to 30 pence per day per visitor. The cost of Visitor Permits thereafter is currently £6.00.
- Comparisons made with other Council's show Southend charge £5.00 per sheet of 20 and Havering, £5.25 for a sheet of 10. It is proposed that Thurrock's charges remain unchanged for 2018/19 to support the Council's place-making agenda.

5.2 Residents Permits

- In line with the previous recommendations, Residents' first two permits will remain unchanged and will be issued free of charge. Neighbouring authorities charge fees for these. If Thurrock were to charge it would give an additional annual income of approximately £75k. This is based on the third permit remaining at £66.
- Operational Permits will also remain unchanged at £120 per annum as this is for internal employees and we are mindful of other department's financial constraints.
- Business Permits will only increase if not paid annually. The monthly fee will rise from £36 to £40 and bi annual fee will rise from £192 to £200 this will assist with the administration and additional permit dated accordingly.
- A number of residents, mainly commuters have enquired about Season (annual) Permits. Southend charge £1000 per annum for commuters and £400 for non commuters or seaside parking; charging a similar amount for commuter parking provides a user saving of over £300 on daily charge, and just over £200 saving on non-commuter car parking. This will reduce administration and will promote cashless payment into the borough as part of the service review.
- The Parking Services Team has also received enquiries from providers to the Council about implementing a contractor permit. A suggested annual fee for £150, in between an operational permit and a business permit is recommended to be offered to any contractor who may have a signed contract with this Council. The permit can be renewed in line with the contract. This will allow business to park in the vicinity of the work involved.
- NHS permits have a new fee of £120 per annum for 2017/18, the same as operational permits therefore it is suggested that there is no change for

2018/19 in order for an assessment to be reviewed. There were at least 100 permits last year which will equate to £12,000.

- All replacement permits will be liable to a £10 replacement fee for administration purposes except for charities and visitors permits.

5.3 Parking Bays

- The suspension of parking bays is a discretionary charge. The charge for this remains unchanged. The current fee is considered to cover the cost of any loss of income as a result of a suspension.

5.4 Parking Charges

- Parking charges remain unchanged for 2018/19 in order to continue to support local businesses and the Council's place-making agenda.

5.5 Penalty Charge Notices

- The charges for penalty charge notices are statutory charges and cannot be changed by the local authority.

5.6 Passenger Transport

- DBS Checks for education transport operators for PSV drivers and passenger assistants will remain unchanged for 2018/19. This is in line with Essex County Council (ECC) but will be reviewed annually as some of the operators are procured by both Thurrock Council and ECC.
- Any increases will also be reflected in the operators contract costs with the Council and as education transport is overspent we would not wish to put any further financial burden on another department.

5.7 Bus Passes

- Any resident that applies for their first bus pass under the government's entitlement criteria is to receive their pass free. This is a statutory requirement and no changes to this arrangement have been proposed.
- Any replacements for the loss of a pass will see a £10 admin fee remain. This is in line with other authorities' charges especially as the clientele are elderly. The same administration fee is liable for any pupil who is entitled to education transport and has an annual ticket.

5.8 Suspension of Bus Stops

- Current charges are £75 per day for up to 3 days with £50 per month liable thereafter. A flat rate of £75 per day is proposed in order to encourage road works to be completed expediently. This provides less inconvenience to not only the bus companies, but also to bus users.

5.9 Highways Infrastructure

- Highway Licences - The charge for a licence to erect scaffolding on the highway has been increased to cover the cost of monitoring sites for compliance etc. In addition the refundable deposit has been increased to

ensure sufficient funds would be available, should damage to the highway be caused upon removal of the scaffolding / completion of works.

- Clearance of debris – When clearance or works are required on the highway as a result of a road traffic crash, costs incurred are recovered. A £100 administration fee is charged, although this year an additional %age charge has been introduced to cover the additional time involved in arranging remedial works that exceed £4000. This usually includes works such as carriageway resurfacing following a spillage, or extensive safety barrier repairs. Costs will be recoverable from either the individual responsible or their Insurer.
- Traffic Regulation Orders – Should it be necessary to create or amend a permanent Traffic Regulation Order, a fairly lengthy process is involved, including a statutory 21 day consultation period and advertisements in a local newspaper. The charges for amending, varying or creating an Order requires the same process. Fees have been amended to bring consistency where Orders are required.
- Skips on the highway – A new fee has been introduced that will require all skip companies to register with the Council before they can apply for a licence to deposit a skip on the highway. This will help give more control to the Council and will assist with the management of skips on the highway. Similar fees are charged by other Councils. The licence fee for skips has been increased, again, in line with neighbouring Councils.

5.10 Network Management

- Permit Fees for Street Works were introduced into the 2017/18 Fees and Charges to enable the Permit Scheme to commence in October 2017.
- Legislation allows Permit Authorities to review their Permit Fees following 12 months of operation of the Scheme. Fees are therefore to remain unchanged for 2018/19 and will be reviewed in October 2018 in readiness for any amendments to be included in the 2019/20 Fees and Charges Schedule.

5.11 Transport Development

- Current fees for agreements pursuant to Sections 38 and 278 of the Highways act (adoption of road and highway licenses for developer works) have been bench-marked against neighbouring Authorities and is a consistent increase
- Neighbouring Authorities have increased fees over the last few years and Thurrock is still below the highest fee amount (Thurrock proposals is for 9% of build cost, London boroughs are at 10% build cost) Commuted Sums of Maintenance (CSM) has been changed so that the development works represent 25% of the total build cost, rather than an itemised account of assets. This will be a better process of calculation as currently the CSM does not include the road surface; whereas the new calculation will include it.
- Accident data provision is increased in line with Southend Council.

6 Planning and Growth

6.1 Development Control

- Fee income is dependant almost 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.
- Aside from planning application fees we are also able to charge for pre application advice, these fees are locally set. Our offer of pre application advice has been very popular with developers and householder alike as it offers more certainty before entering into the formal application process. We have varied these fees in line with other Essex authorities and to maintain our competitiveness while ensuring that our costs are covered for provision of the service. Whilst this will assist in providing an improved and more efficient service, it is unlikely to yield any additional income.

6.2 Building Control

- Fee income is dependant entirely on market forces. The Building Control Account is governed by legislation that requires that the Council does not produce a profit or loss over a three year rolling period and that any increase in income has to be ring-fenced with the Building Control account.

6.3 Land Charges

- Local Land Charges (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.

7 Corporate Property and Assets

7.1 Corporate property – charges for financial year 2018/19 will remain unchanged, as the current charges are comparatively aligned with neighbouring areas.

7.2 As such, charges will look to be reviewed as part of the business activities for financial year 2019/20 with the view to ensuring that they remain market competitive and to ensure a full cost recovery model.

8 Reasons for Recommendation

8.1 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. The ability to vary charges within financial year will enable services to more flexible adapt to changing economic conditions.

8.2 The granting of delegated authority to vary these charges within financial year will allow the Council to better respond to the needs of the communities, legal requirements, regulatory changes and commercial challenges.

9 Consultation (including Overview and Scrutiny, if applicable)

9.1 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

10 Impact on corporate policies, priorities, performance and community impact

10.1 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.

11 Implications

11.1 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.

11.2 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.

11.3 Diversity and Equality

Implications verified by: **Becky Price**

Community Development Officer

The Council is responsible for promoting equality of opportunity in the provision of services and employment as set out in the Equality Act 2010 and Public Sector Equality Duty. Decisions on setting charges and fees are subject to Community Equality Impact Assessment process and the Council's wider decision making structures to determine impact on protected groups and related concessions that may be available.

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

None applicable

12 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

13 Appendices to the report

- Appendix 1 – Schedule of Proposed Fees and Charges for 2018/19
- Appendix 2 – Schedule of Fees and Charges no longer applicable

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