

22 February 2023		ITEM: 12
Decision: 110640		
Cabinet		
Fees and Charges Pricing Strategy 2023/24		
Wards and communities affected: All	Key Decision: Key	
Report of: Councillor Graham Snell, Portfolio Holder for Finance		
Accountable Assistant Director: N/A		
Accountable Directors: Jonathan Wilson – Interim Director of Finance		
This report is: Public		

Executive Summary

This report summarises the fees and charges proposals for 2023/24.

All changes to individual fees and charges have been reviewed at their respective Overview and Scrutiny Committees and commentary is included within the Appendices of this report.

Any new charges will take effect from 1st April 2023, subject to Cabinet approval, unless otherwise stated.

Proposed changes to fees and charges need to be considered within the context of the Local Authority's current financial position.

A Section 114 Notice was issued to the Secretary of State (SoS) on 19th December as a balanced budget cannot be achieved in the current or forthcoming year, for which exceptional government support is required.

The Section 151 Officer has taken further actions within Thurrock to restrict expenditure, whilst ensuring statutory services and contractual commitments are met. Furthermore, an exercise has commenced to identify opportunities for capital receipts to be generated through the disposal of assets. Alongside this, is the requirement to identify ongoing revenue savings, efficiencies, cost neutral positions and income generation, increases in fees and charges play a vital role in generating income to offset the cost of council services.

However, in subsequent years Government will be looking to take actions within its control to close this funding gap. The Council 2023/24 Fees and Charges budget as proposed in this report is £7,461,680 (compared to £7,527,580 budget and £7,191,947 forecast in 2022/23) this is a 4% increase on our current anticipated

recovery levels. A list of key material fees and charges are set out in paragraph 2.4, these represent 57% of the total fees and charges budget.

Fees and charges represent approximately 15% of the Council's overall income.

During the preparation of this budget, it became apparent that a more detailed review of our Fees and Charges, as well as a clearer policy on when they will be applied, is necessary. As part of that review, we will also consider our Fees and Charges compared to our peer group of Councils. Therefore, the Fees and Charges included in this report will be subject to greater analysis, within the context of a revision to our strategy for raising income.

A report will be brought back to Cabinet in Quarter 1 2023/24. This process will be managed alongside the rest of our intervention programme.

Consequently, there are likely to be in-year adjustments to the fees and charges contained in this report, and the anticipated policy changes will impact on future years.

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

The impact on the local economy of both the current cost-of-living crisis and the ongoing Covid-19 implications have been considered alongside our financial position when setting fees and charges for 2023/24.

Director delegated authority will be sought via Cabinet to allow Fees and Charges to be varied within financial year in response to changes in government legislation within their service area, all other changes in-year will be required to be presented to Cabinet via the Service Director for transparency.

1. Recommendations:

- 1.1 That Cabinet agree the proposed fees and charges, including those no longer applicable, as per Appendices 1 and 2;**
- 1.2 That Cabinet approve delegated authority to the following Directors to vary Fees & Charges for their respective Service Area within the financial year 2023/24 in response to legal & regulatory requirements only;**
 - I. Director of Strategy Engagement and Growth (para 4)**
 - II. Director of Public Realm (para 4,5)**
 - III. Director of Place (para 4,5)**
 - IV. Director of Adult Social Care and Community (para 6)**
 - V. Director of Housing (para 7)**
 - VI. Director of Children's Services (para 8)**and;
- 1.3 That Cabinet consider the feedback & additional information from all Overview and Scrutiny Committee meetings and additional meetings held in relation to fees and charges as per Appendix 3, 4 and 5.**

1.4 That Cabinet note the requirement for a detailed review of our Fees and Charges in Quarter 1 2023/24 alongside a revision of our strategy for raising income and fee charging policy.

2. Background

- 2.1 The paper describes the fees and charges council wide approach for 2023/24 continuing with the previously agreed Commercial principles with regards to charging.
- 2.2 Income recovery has been considerably impacted in 2022/23 due to a number of restrictive measures implemented as a result of the continued impact of Covid-19 pandemic.
- 2.3 Overall fees and charges income targets for 2023/24 will be presented as part of the Draft Budget report to Cabinet in February, within the context of the statutory requirement to set a balanced budget and the request for exceptional financial government support
- 2.4 A list of key areas with material fees and charges are set out in the below table which represent over half of the fees and charges budget for 2023/24.

<u>Key areas:</u>	<u>2023/24 Indicative budget</u>
<i>Planning</i>	(1,180,330)
<i>Parking</i>	(522,777)
<i>Street works</i>	(480,000)
<i>Environment Enforcement</i>	(316,791)
<i>Licensing</i>	(314,411)
<i>Burials & Cemeteries</i>	(305,012)
<i>Registrar</i>	(303,485)
<i>Music Service</i>	(284,312)
<i>Theatre sales</i>	(269,147)
<i>Grangewaters Outdoor Education Centre</i>	(265,314)
Total of key areas	(4,241,579)
% Of 23/24 F&C budget	57%

3. Thurrock Charging Policy

- 3.1 The strategic ambition for Thurrock is to adopt a policy on fees and charges that ensures that all discretionary services will full cost recover wherever possible.
- 3.2 Whilst reviewing charges, Directorates will 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 2023/24 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)
- Consideration with regards to COVID 19 and the impact on fees & charges locally & nationally
- What new charges might we want to introduce for this financial year?
- 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?
- How sensitive is demand to price?
- What do our competitors charges?
- Statutory services may have discretionary elements that we can influence.
- Do we take deposits, charge cancellation fees, and charge an admin fee for duplicate services?

4. Cleaner, Greener, Safer – Summary of Changes

4.1 The key following changes for 2023/24 fees and charges:

- **Outdoor Sports and open spaces** - Increased fees and charges by a range of between 0%-20%, (£0-£120).
- **Allotments** - Fees and charges have not increased for 2023/24.
- **Domestic Waste** - Fees and charges will increase by 11% (£1.10) for additional bulky waste items and 0%-18% £0-£77.60 for wheeled bins new/replacements. There will be an additional charge introduced for the general supply or replacement of wheelie bin for Managing Agents.
- **Burials and Memorials** – Fees and charges for 2023/24 will be increased broadly in line with forecast inflation, the burials service does not make a surplus from fees and charges and these increases take into consideration the increases in costs to the service to make sure that the service is cost neutral going forward. To enable residents the opportunities to intern their loved ones ashes in Thurrock we have added Memorial Trees, Sanctum Vaults, (Panorama Vaults, Double Sanctum Vault, Family Sanctum Vault) and Nepalese Memorial for burials cemeteries offering.
- **Environmental Enforcement** – Fees and charges are set by legislation, with Council charging the maximum permitted, in line with policy.
- **Registrars** – Following the relocation of the Registrars Service into the new premises the charges have been changed to reflect this along with benchmarking against neighbouring boroughs.
- **Theatre** – Fees and charges for 2023/24 have increased between 0% - 30% (£4.70) to bring Thurrock's charges more in line with neighbouring boroughs.

- **Public Protection** – Statutory Civil Enforcement charges have not increased for 2023/24. Environmental protection charges have increased, alongside health and safety charges.
(Licensing fees and charges that are set through the licensing committee have been removed from the fees and charges as these are set via licensing committee and cannot be amended via this process).

5. Planning, Transportation and Regeneration – Summary of Changes

5.1 The key following changes for 2023/24 fees and charges:

- **Permits** – Following discussion at PTR Overview and Scrutiny a proposal to introduce a standard fee of £15 for 1st, 2nd and 3rd permits per property.
- **Visitor Permits** - In March 2022 Thurrock switched from paper permits to virtual permits. Each household will still be gifted with 100 hours of free visitor parking.

The Virtual Permit solution offers more flexibility to customers who can now activate individual visitor permits simultaneously on multiple visitor vehicles making the most of their free 100 hours.

Additionally, they may purchase individual virtual visitor permits as and when required according to their visitor demand, instead of having to purchase 20 visits valid for 100 hours in one transaction. This change was a direct result of requests from residents and Councillors for Thurrock to offer more flexibility with the visitor permits.

Some zones are restricted for more than 5 hours so in response to increasing requests to extend the duration of the visitor permits, it is proposed to increase the single visitor permit valid for 5 hours by 10p to a fee of 45p and offer a new all-day permit for 75p. This charge is considerably less than standard Pay and Display which costs a minimum of £1 for 1 hour.

- **On Street Pay and Display car park charges** – The last wholesome review of On - Street parking charges in Thurrock took place over 4 years ago. The Off – Street charges linked to Car Parks was reviewed and increased as part of the 2022/23 fees and charges and included a commitment to carry out alternate annual reviews of the On and Off-street tariff.

To achieve the required consistency across the car parking tariffs, it is proposed to increase all On - Street parking tariffs in line with off street increases in 2022/23.

- **Thames Rd** - A new long stay fee is proposed to deliver consistency with the increased tariff at Grays Beach. There has been a 15% increase in commuters parking in Thames Road all day, taking advantage of the short stay fee set at £3.20 and not using the commuter long stay Grays Beach

car park, current tariff £6.50 all day. The introduction of the consistent long stay tariff will encourage commuters to park off street in long stay car parks, keeping Thames Road more available for short stay visitors to the Yacht Club and Grays Beach.

- **Parking Suspensions** – Charges have increased from £50 to £60 (20%) Parking suspensions do not have a direct impact on residents but mainly effect large private companies who carry out planned works linked to utilities, building or highways. Such applications also serve as requests for priority enforcement at these paid for locations. The increase in charge is reflective of the admin and CEO priority resource required to legally process and effectively support such applications.
- **Off street Parking Charges** – Remain unchanged for 2023/24.
- **NHS Parking Charges** – Remain unchanged for 2023/24
- **Penalty Charge Notices** – Are set statutorily and unchanged for 2023/24.
- **Pre-Planning Application** – Charges have increased for 2023/24 between 0% - 10% (£192)
- **Planning Performance Agreement** – Charges have increased by 10% for 2023/24 (£18,000)
- **Highway's infrastructure** – No new charges are proposed for 2023/24 and remaining fees have increased between 0% and 14% (£43).
- **Transport Development** – The majority of fee increases are in line with projected inflation provision, apart from the fees for development works which have not been increased for at least 2 years. Charges are proposed to increase to reflect increases within the industry and the need for additional consultancy support for specialist technical checks and supervision.
- **Transport (Fleet)** – Vehicular MOT Testing – charges have increased for 2023/24 between 5% -7% class 4 has gone from £36 - £38, class 5 tests have risen from £51 - £55.
- **Land Charges** – have increased where feasible this year between 0% - 20% (£1), there has also been a new charge added for Con29R Search – Commercial Land, A new Commercial Land Charge has been introduced. Previous charges did not consider situations where commercial searches contained multiple parcels, therefore we were not charging enough to cover the resource taken to complete these types of searches.
- **Commercial/Non-Commercial Matters** – have increased between 0% and 11% (£106)

- **Town Centre Management** – have increased between 0% and 11% (£14)

6. Health & Wellbeing Summary of Changes

6.1 The key following changes have occurred for 2023/24 fees and charges:

- **Blue Badge Application Fee** – This is a national maximum fee detailed in the Blue Badge Guidance. It is a legal requirement to charge no more than £10 per badge.
- **The internal service charges** - will be included within the consultation where they are not set through national guidance or contractual obligation.
- **The fees and charges for Libraries** - have been robustly reviewed and either remain the same or have slight increases, these are shown at Appendix 1. The area that will generate additional income is the provision of stationery. Residents have requested, whilst using libraries, that stationery is available when needed. This addition is a direct response to that request and will support both the community and the Library Service.

Please note a change in Libraries fees and charges post O&S, due to a change in the assumed lost policy via The Libraries Consortium (TLC). This was unfortunately outside of the fees and charges timeline.

Please note that charges for placements are included for completeness in relation to service activities, but do not form part of the fees and charges budgetary line income as they are client contributions.

7. Housing – Summary of Changes

7.1 The key following changes have occurred for 2023/24 fees and charges:

- **Houses in Multiple Occupation.** These charges will increase by an average of 11% (£159.50), as rounded to the nearest pound.
- **Housing Enforcement Notices** – These charges have been restructured to recover the council's full administrative cost.
- **Works In Default** – New administrative fee charge introduced.
- **Penalty Charges – Housing Planning Act 2016.** These charges are scaled up to the maximum sum allowed.
- **Penalty Charges – Smoke & Carbon Monoxide Alarm Regulations 2015.** These charges are scaled in line with industry standard.
- **Penalty Charges – Energy Efficiency Regulations 2015.** These charges are scaled in line with industry standard.
- **Penalty Charge – The Electrical Safety Standards in the Private Rented Sector [England] Regulations 2020.** These charges are scaled in line with industry standard.

8. Childrens – Summary of Charges

8.1 The key following changes have occurred for 2023/24 fees and charges:

- **Grangewaters** - Charges have increased where possible between 0.65% -

17%

- **Thurrock Adult Community College** - fees and charges have been increased between 2.27% - 3.70%. The provision is mostly fully funded. This is no longer a significant source of income as government has introduced new entitlements for adult learners.

9. Reasons for Recommendation

- 9.1 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.
- 9.2 The granting of delegated Director authority will only apply to legal or regulatory changes. If there is a need to alter fees during the financial year to enable the Council to better respond to commercial challenges, additional reports may be brought to Cabinet for approval.

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

- 10.1 Consultations will be progressed where there is a specific need. However, with regard to all other items, the proposals in this report do not affect any specific parts of the borough and have been seen via there retrospective Overview and Scrutiny committees and commentary is included within the Appendix of this report. Fees and charges are known to customers before they make use of the services they are buying.

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

- 11.1 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.

12. Implications

12.1 Financial

Implications verified by: **Joanne Freeman**
Finance Manager

The anticipated effect of any changes to fees and charges on individual income targets is determined as part of the 2023-24 budget setting process in which Corporate Finance and service areas review anticipated level of demand, fee increases, previous performance and potential associated costs. Covid-19 has significantly impacted the Authority's ability to achieve current income targets, and this will be taken into consideration when setting future targets.

The Council wide draft budget report to Full Council will include the 2023-24 income targets across all directorates.

As many of the charges are set annually there will be a thorough review of all Fees and Charges during 2023/24 in order to provide appropriate support and recommendations for Members as part of the 2024/25 budget.

12.2 Legal

Implications verified by: **Gina Clarke**
Corporate Governance Lawyer & Deputy Monitoring Officer

Section 93 of the Local Government Act 2003 (“LGA 2003”) and guidance issued in 2003 pursuant to section 96(3) of the Act, empowers the Council to charge for discretionary services related to a Council function if the recipient of the service has agreed to its provision.

Discretionary services are those services authorised by statute that the Council is not required to provide but may do so voluntarily (section 93(1)(a), LGA 2003).

However, the Council cannot charge for mandatory services or services it has a duty to provide. Further, the section 93 charging power does not apply where there is a power to charge for a particular service elsewhere in other legislation (section 93(2)(a), LGA 2003).

The section 93 charging power cannot be used to charge for a service if other legislation expressly excludes an authority from charging (section 93(2)(b), LGA 2003). For example, the Education Act 1944 prohibits a local authority from charging for basic education; this prevents section 93 being used to circumvent a local authority's statutory duty to provide basic education for free. The Council can set the level of charge for each discretionary service. However proposed charges must have regard to the 2003 statutory guidance. [General Power Best Value \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/101222/guidance-on-section-93-chargeable-services-2003.pdf)

Where the introduction of new fees and charges require consultation of affected service user this needs to be undertaken prior to the proposed changes taking effect and consultation responses considered as part of the decision-making process. Also, any relevant statutory provisions must be complied with prior to the introduction of new fees and charges.

The Council is under a general duty to secure that, from one financial year to the next, the income from charges for services does not exceed the costs of provision (section 93(3), LGA 2003). This approach allows a local authority greater flexibility to balance their accounts over a period of time and recognises the practical difficulties for a local authority in estimating the charges for a discretionary service at the outset.

The Council must offset any surplus or deficit in income because of any over or under recovery of charges when setting future charges for the discretionary service. This ensures that over time the income generated by the discretionary service equates to the cost of providing the service.

However, the Council does not have to recover the full costs of providing the service if there are policy reasons for limiting the charges in relation to a particular user of the service e.g., to the disabled, the unemployed or those in receipt of benefit. It must be able to justify its reasons for doing so.

Alongside the section 93 charging power, the general power of competence for local authorities under section 1 of the Localism Act 2011 (LA 2011) also confers a power on the Council to charge individuals for discretionary services. The section 1 charging power has similar requirements of the Section 93 LGA 2003 charging power as referred to above.

These charging powers are not intended to provide a new income stream for the Council and cannot be used to generate a profit. It does enable the Council to recover the costs of providing services or improvements to services that it might not otherwise have been able to justify providing or been able to provide. These powers also enable the Council to spread the cost of providing an existing service or a new discretionary service.

Taking the decision set the fees and charges is an executive function of the Council. The report to Cabinet supporting the recommended course of action should contain all the necessary and relevant information to enable members to take an informed decision on the proposed scheme and to satisfy themselves that the proposed charges are fair and reasonable.

In reviewing and setting fees and charges, the Council will need to have due regard to the Public Sector Equality Duty as set out in the Equality Act 2010. The issuing of a s114 Notice by the Council's Chief Finance Officer (s151 Officer) means by law the Council must stop all expenditure with the exception statutory services and pre-existing commitments. The recommendations set out in the report contribute to the financial recovery of the Council.

12.3 Diversity and Equality

Implications verified by: **Roxanne Scanlon**
**Community Engagement and Project
Monitoring 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. A CEIA will be completed to assess

the impact of the changes detailed within this report.

Council's pay and display charges have been benchmarked to ensure they are either below or in line with other local authorities and are applied fairly and consistently across all car parks in Thurrock that are the subject of pay and display measures.

Council's overarching Parking Policy and Strategy and Parking Enforcement Strategy was the subject of consultation in November 2020, and each are the subject of Community Equality Impact Assessment. Feedback from this consultation and other individual projects is used to support ongoing monitoring and review of CEIA and the implementation of the related policy and strategies.

12.4 **Other implications** (where significant) – i.e., Staff, Health Inequalities, Sustainability, Crime and Disorder, and Impact on Looked After Children

None applicable

13. **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

14. **Appendices to the report**

- Appendix 1 – Schedule of Proposed Fees and Charges for 2023/24
- Appendix 2 – Schedule of Fees and Charges no longer applicable (removed)
- Appendix 3 – Feedback from Overview and Scrutiny Committees & meetings
- Appendix 4 – Overview and Scrutiny Papers
- Appendix 5 - Additional information from Housing and Libraries