

<b>18 January 2017</b>		<b>ITEM: 9</b>
<b>Corporate Overview and Scrutiny Committee</b>		
<b>Fees &amp; Charges Pricing Strategy 2017/18</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Key	
<b>Report of:</b> Carl Tomlinson - Finance Manager		
<b>Accountable Head of Service:</b> David Lawson – Monitoring Officer		
<b>Accountable Directors:</b> Fiona Taylor - Director of Law and Governance		
<b>This report is public</b>		

## **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.

### **1. Recommendations**

- 1.1. That Corporate Overview and Scrutiny Committee note the revised fees and charges proposals.**
- 1.2. That Corporate 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 Corporate Overview & 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 Legal Services which is the only service within the Committees remit with external fees and charges

Directorate: £000's	Actual 15/16	Budget 16/17	Budget 17/18
Legal Services	197	352	363
<b>TOTAL</b>	<b>197</b>	<b>352</b>	<b>363</b>

### 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. Legal Services

- 5.1. A benchmarking exercise revealed that Thurrock legal fees for section 106, section 38 and section 278 agreements was far less than charged by other authorities and therefore these fees were increased in line with the evidenced benchmarking.
- 5.2. A previous exercise lifting fees by a set percentage had resulted in some odd values with pence and these have therefore been rationalised to rounded amounts.

- 5.3. A new fee of £500 has been introduced in respect of section 111 agreements as these are being used more often and other authorities apply a small fee in addition to the section 106 fee in relation thereto and are therefore likewise evidenced by benchmarking.
- 5.4. A second new fee of £1,500 has been introduced in respect of draft agreements for footpath/bridleway creation and/or diversion
- 5.5. Legal Services has not made any change to statutory prescribed fees.
- 5.6. Verification of proof of life charges have increased to reflect the cost to the Authority of completing documentation and confirming identity. The increased fee is approximately half of the fee from a private practice solicitor. Requests are received from persons in receipt of overseas pensions as it is a common requirement for continued receipt of such pensions.
- 5.7. Legal Services has introduced a new fee for sealing contracts to aid with the required and reasonable administrative support associated with this work without impeding the Council from procuring contractors.
- 5.8. Finally, it should be noted that in the wider context of public sector to public sector trading of legal services the shared service is permitted pursuant to the Local Authorities (Goods and Services) Act 1970 to supply legal services to other public bodies on a commercial basis rather than cost recovery basis.

## **6. Reasons for Recommendation**

- 6.1. 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.

## **7. Consultation (including Overview and Scrutiny, if applicable)**

- 7.1. Consultations will be progressed where there is specific need. However, with regard to 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.

## **8. Impact on corporate policies, priorities, performance and community impact**

- 8.1. 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.

## **9. Implications**

### **9.1. 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.

## 9.2. 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.

## 9.3. 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.

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

None applicable

**10. 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

**11. Appendices to the report**

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

**Report Author:**

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