

2 February 2017		ITEM: 7
Housing Overview and Scrutiny Committee		
Fees & Charges Pricing Strategy 2017/18		
Wards and communities affected: All	Key Decision: Key	
Accountable Head of Service: John Knight, Head of Housing		
Accountable Directors: Roger Harris, Corporate Director of Adults, Housing and Health		
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- 1.1 That Housing Overview and Scrutiny Committee note the revised fees and charges proposals including those no longer applicable**
- 1.2 That Housing Overview and Scrutiny Committee comment on the proposals currently being considered within the remit of this committee**

2. Introduction and Background

- 2.1 The paper describes the fees and charges approach for the services within the Housing 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

- HMO Licences
- Travellers Sites

2.3 Relevant service income targets are summarised below

Service: £000's	Actual 15/16	Budget 16/17	Budget 17/18
Travellers Sites	74	77	80
TOTAL	74	77	80

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. HMO Licenses

- 5.1 On 13th December 2016 Housing Overview and Scrutiny Committee received a paper outlining proposals in respect of HMO Licensing. The fee changes are based on the extension of HMO licencing as a statutory requirement. This relates to the Council's five year licence fee charges in 2017/18.
- 5.2 Appendix 1 shows the proposed fees for licencing HMO dwellings. This includes 'early bird' discounts to encourage early compliance and discounted fees for landlords with more than one property. A five year licence will be granted to our private landlords who pass their HMO management conditions and maintenance inspection.
- 5.3 The 2017/18 new licence fees are comparable to other local authorities providing the same service. The proposed fee structure will also encourage private sector Landlords operating in Thurrock to pay and become members of the Accredited Landlord Scheme.

6. Travellers Sites

- 6.1 The Council manages 3 travellers' sites with a total of 65 plots. The sites are run by a traveller liaison officer with 2 part-time assistant travellers' wardens. The sites are located at:
- 6.2
- Ship Lane, Aveley (21 plots)
 - Gammonfield site, Long Lane, Grays (22 plots)
 - Pilgrims Lane site, North Stifford, Grays (22 plots)
- 6.3 Residents on these sites rent plots on a licence agreement. They pay a weekly rent plus water rates and an amenity charge, and can buy electricity through the site warden.

7. Reasons for Recommendation

- 7.1 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.

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

- 8.1 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.

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

9.1 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.

10. Implications

10.1 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.

10.2 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.

10.3 **Diversity and Equality**

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

The Council has a statutory responsibility under the Equality Act 2010 to promote and have due regard to the need to eliminate discrimination and advance equality of opportunity between individuals who share a relevant protected characteristic and those who do not share it. 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 create negative impact or lead to exclusion from activities.

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

- None applicable

11. **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

12. **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

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Finance Manager