

<b>12 February 2019</b>		<b>ITEM: 10</b> <b>Decision: 110501</b>
<b>Cabinet</b>		
<b>Fees and Charges Pricing Strategy 2019/20</b>		
<b>Ward affected:</b> All	<b>Key Decision:</b> Key	
<b>Report of:</b> Councillor Shane Hebb, Deputy Leader and Portfolio Holder for Finance		
<b>Accountable Assistant Director:</b> Andrew Austin, Commercial Manager & Carl Tomlinson, Finance Manager		
<b>Accountable Director:</b> Sharon Bayliss, Director of Commercial Services & Sean Clark, Director of Finance and IT		
<b>This report is public</b>		

## **Executive Summary**

This report summarises the fees and charges papers as reviewed by the respective Overview and Scrutiny Committees. Any new charges will take effect from the 1 April 2019, subject to Cabinet approval, unless otherwise stated.

In preparing the proposed fees and charges, directorates have worked within the charging framework and commercial principles set out in section three of the report.

Service director delegated authority is sought to permit Fees and Charges to be varied within financial year in response to commercial requirements, in consultation with the commercial director and the relevant portfolio holder.

The appendices to this report cover:

- Appendix 1 - Schedule of proposed Fees and Charges for 2019/20
- Appendix 2 - Schedule of Fees and Charges that are no longer applicable
- Appendix 3 - Feedback from Overview and Scrutiny Committees

## **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**1.1 That Cabinet agree the proposed fees and charges, including those no longer applicable as per Appendices 1 and 2.**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 allow Fees & Charges to be varied within a financial year in response to commercial requirements, in consultation with the relevant portfolio holder.**

**1.3 That Cabinet note the feedback from all Overview and Scrutiny Committee meetings as per Appendix 3.**

**2 Background**

2.1 The paper describes the fees and charges council wide approach 2018/19 building upon the previously agreed Commercial principles with regard to charging, and will set a platform for these pricing principles moving forward into future financial years.

2.2 The fees & charges that are proposed are underpinned in some instances by a detailed sales and marketing plan for each area. This will ensure delivery of the income targets for 2019/20, for ease these are summarised below.

**2.3 Fees and charges income target 2019/20**

<b>Service £m</b>	<b>Last Year Outturn 17/18</b>	<b>Revised Budget 18/19</b>	<b>Forecast Outturn 18/19</b>	<b>Proposed Budget 19/20</b>
Cleaner, Greener & Safer	(2,118,376)	(1,976,568)	(2,334,267)	(2,399,364)
Planning, Transport & Regeneration	(3,055,860)	(3,267,237)	(3,439,654)	(3,455,251)
Childrens	(958,691)	(1,173,877)	(1,067,531)	(1,088,040)
Housing (General Fund)	(264,551)	(413,200)	(413,200)	(414,500)
Health and Wellbeing	(1,603,263)	(1,433,732)	(1,453,894)	(1,455,402)
Corporate	(0)	(25,000)	(70,000)	(100,000)
<b>Total Fees and Charges</b>	<b>(8,000,741)</b>	<b>(8,289,614)</b>	<b>(8,778,546)</b>	<b>(8,912,557)</b>

**2.4 Individual services income targets 2019/20**

<b>Service</b>	<b>Last Year Outturn 17/18</b>	<b>Revised Budget 18/19</b>	<b>Forecast Outturn 18/19</b>	<b>Proposed Budget 19/20</b>
<b>Cleaner, Greener and Safer (CGS)</b>				
Arboricultural Team	(31,291)	(33,000)	(28,829)	(33,000)
Burials & Cemeteries	(308,210)	(305,032)	(308,210)	(308,000)
Country Parks	(72,100)	(74,845)	(68,467)	(74,845)
General Parks and Open Spaces	(1,557)	(702)	(2,758)	(2,758)
Street Cleansing	(34,194)	(56,991)	(53,457)	(56,991)
Waste Collection	(57,658)	(17,796)	(22,781)	(22,000)
Environmental Enforcement	(196,429)	(183,142)	(396,560)	(396,560)
Libraries	(66,046)	(87,173)	(59,675)	(97,173)
Licensing	(332,411)	(309,987)	(319,467)	(309,987)
Registrars	(245,940)	(266,024)	(266,024)	(270,024)
Public Protection	(113,554)	(12,251)	(99,395)	(99,000)
Theatre	(658,986)	(629,625)	(708,644)	(729,026)
<b>CGS Subtotal</b>	<b>(2,118,376)</b>	<b>(1,976,568)</b>	<b>(2,334,267)</b>	<b>(2,399,364)</b>
<b>Planning, Transport and Regeneration (PTR)</b>				
Building Control	(331,367)	(273,355)	(273,355)	(273,355)
Development Control	(903,029)	(977,502)	(1,045,859)	(1,045,859)
Land Charges	(394,434)	(216,216)	(245,000)	(245,000)
Strategic Planning	0	(4,578)	(4,578)	(4,578)

Public Transport Bus	(6,647)	(2,000)	(5,715)	(5,715)
Highways Infrastructure	(277,353)	(593,072)	(704,153)	(704,153)
Parking	(1,005,703)	(1,044,810)	(1,042,696)	(1,042,696)
Land and Buildings	(67,423)	(88,809)	(21,000)	(67,000)
Village Halls	(27,478)	(22,566)	(21,869)	(22,566)
Facilities (Civic & Thameside)	(42,426)	(44,329)	(75,429)	(44,329)
<b>PTR Subtotal</b>	<b>(3,055,860)</b>	<b>(3,267,237)</b>	<b>(3,439,654)</b>	<b>(3,455,251)</b>
<b>Childrens Services</b>				
Placement Support - Oaktree	(6,442)	(7,555)	(7,705)	(7,555)
Summer Playscheme for Disabled Children	(10,829)	(16,000)	(24,534)	(24,534)
Education Welfare Service	(40,284)	(42,586)	(60,000)	(60,000)
Adult College	(213,687)	(219,350)	(219,350)	(219,350)
Children Centres	(0)	(250)	(766)	(3,500)
Day Nurseries	(186,475)	(262,000)	(176,531)	(176,000)
Learning & Skills - Grangewaters	(156,900)	(289,636)	(239,207)	(260,601)
Music Services	(344,074)	(336,500)	(339,438)	(336,500)
<b>Children's Subtotal</b>	<b>(958,691)</b>	<b>(1,173,877)</b>	<b>(1,067,531)</b>	<b>(1,088,040)</b>
<b>Housing</b>				
Private Sector Housing	(25,640)	(43,700)	(43,700)	(45,000)
Travellers Sites	(238,911)	(369,500)	(369,500)	(369,500)
<b>Housing (GF) Subtotal</b>	<b>(264,551)</b>	<b>(413,200)</b>	<b>(413,200)</b>	<b>(414,500)</b>
<b>Health and Wellbeing (HWB) – Adult Social Care</b>				
Appointee & Receivership	(30,617)	(30,701)	(30,995)	(30,701)
Blue Badges	(28,896)	(28,995)	(31,222)	(31,222)
Day Care Services (incl. transport)	(63,474)	(45,557)	(63,474)	(65,000)
Domiciliary Care	(1,271,762)	(1,089,144)	(1,091,039)	(1,089,144)
Extra Care	(60,700)	(84,374)	(76,121)	(84,374)
Extra Care - Housing	(20,172)	(22,462)	(22,462)	(22,462)
Meals on Wheels	(111,693)	(122,632)	(122,632)	(122,632)
Respite Care for Adults with Disabilities	(15,949)	(9,867)	(15,949)	(9,867)
<b>HWB Subtotal</b>	<b>(1,603,263)</b>	<b>(1,433,732)</b>	<b>(1,453,894)</b>	<b>(1,455,402)</b>
<b>Corporate</b>				
Legal – Support Services	(0)	(25,000)	(70,000)	(100,000)
<b>Corporate Subtotal</b>	<b>(0)</b>	<b>(25,000)</b>	<b>(70,000)</b>	<b>(100,000)</b>

Note – Forecasted Outturn Position is of August 2018

### 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 2019/20 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

### 3.4 CGS – Summary of Changes

The key following changes have occurred for 2019/20 fees and charges:

- **Outdoor Sports and Open Spaces** - have increased fees and charges in line with inflation
- **Allotments** - fees and charges are unchanged for 2019/20
- **Domestic Waste** - fees and charges are unchanged for 2019/20
- **Commercial Waste** - fees and charges are provided upon request, as they depend on client specific considerations, i.e. bin size, frequency etc
- **Burials and Memorials** - fees and charges have been increased generally, in line with inflation and actual costs. Other changes have also been introduced to better manage the council limited resources:
  - Plot reservation initial periods have been reduced to 50 years
  - Plot reservation is capped to two plots, at time of an interment only
- **Environmental Enforcement** – fees and charges are set by legislation, with Council charging the maximum permitted, in line with policy.
- **Registrars** - fees and charges have (with the exception of deposits) been increased in line with neighbouring areas and to ensure full cost recovery.
- **Theatre** - fees and charges have a number of changes with:
  - Existing Hire of spaces increased by inflationary index
  - New space hire charges for all ancillary areas (e.g. gallery)
  - New charges for ticket production, for hirers own box office use.
  - New charges for hire of theatre equipment (e.g. snow machines)
- **Libraries** - fees and charges are generally unchanged, with the following exceptions:
  - DVD & CD fees and charges are reduced to reflect legacy technology.
  - Catalogue Requests fees and charges increased significantly to reflect actual costs of service provision.
  - New Bulk photocopying fees and charges introduced to support local businesses, researchers and residents.

- New Visa service is introduced for immigration processing checks.
- Hire of library spaces fees and charges have been expanded to cover hire within-hours and out-of-hours.
- **Public Protection** - licensing fees and charges are set through the licensing committee and remain unchanged for 2019/20. Other Public Protection fees and charges remain unchanged for 2019/20 with the exception of Weight and Measures and Trading Standards advice, both of which have increased.
- **Public Protection** – Control of Major Accidents and Hazards Regulations charges are unchanged having been introduced in 2018/19 under delegated authority.
- **Heritage Service** – will provide a range of talks and education sessions at schools, Thurrock Museum and Coalhouse Fort, from 2019/20.

### 3.5 PTR – Summary of Changes

The following key changes have occurred for 2019/20 fees and charges:

- **Permits** – fees and charges are unchanged for 2019/20
- **Parking Bays** – suspension fees remain unchanged for 2019/20
- **Parking Charges** – remain unchanged for 2019/20, in support of this new payment meters which accept card payments have been rolled out across the borough.
- **Penalty Charge Notices** – are set statutorily and unchanged for 2019/20
- **Passenger Transport** – DBS checks will remain unchanged for 2019/20
- **Bus Passes** – fees and charges are unchanged for 2019/20
- **Bus Stops** - bus stop suspension charge is unchanged for 2019/20
- **Highways infrastructure** – specific fees and charges have been revised to better scale with larger application requirements, using value thresholds to switch to a percentage value of actual costs; as well as having the minimum charge fee increased in line with actual costs where applicable.
- **Network Management** – Permit fees have been increased for 2019/20, subject to the outcome of the 2018/19 annual review findings.
- **Transport Development** – the main transport and development fees and charges are unchanged for 2019/20, with the exception of
- **Travel plans** - charges are increased in line with inflation & costs
- **Road Safety** - charges for scooter training has been introduced.
- **Transport – Vehicular MOT Testing** – charges are now shown in the report and remain unchanged for 2018/19.
- **Pre-Planning Application** – charges are unchanged for 2019/20
- **Planning Performance Agreement** – charges are introduced for 2019/20 to support development in the borough.
- **Building Control** – charges are unchanged for 2019/20
- **Land Charges** – have been increased notably for 2019/20 as a result of market comparison research and to ensure full cost recovery.
- **Corporate Property & Assets** – have changed the majority of their charges for 2019/20 to Price-On-Application (POA); to more accurately reflect to the client the actual costs incurred for the services delivered.

### 3.6 Childrens – Summary of Changes

The following key changes occurred for 2019/20 fees and charges:

- **Nurseries** - Certain nursery place charges have in some cases increased above inflation to take account of the actual costs of service delivery, which are dependent on the ages involved and corresponding staffing ratios.
- **Nurseries** - New nursery place charges for 0-2 years and babies have been introduced.
- **Nursery after school charges** - have been removed as this is no longer economically viable to provide, due to market competition.
- **Grangewaters** - charges have increased in line with inflation.

### 3.7 Housing – Summary of Changes

The following key changes occurred for 2019/20 fees and charges:

- **Housing in Multiple Occupation threshold** - has changed, lowering the requirement to HMO with 3 occupants requiring licensing.
- **HMO early adopter discounts** - scheme charges have been removed.
- **Mobile Home site licensing** - fees and charges have been introduced
- **Housing charges** - have generally increased in line with inflation, subject to rounding.

### 3.8 HWB – Summary of Changes

The following key changes have occurred for 2019/20 fees and charges:

- **Attendance Charge for Day Care** – is currently set at £10 per session, with a session being a half-day. It was agreed in 2015/16 to increase this to £30 over a phased period. However, this was deferred in 2016/17 due to the re-organisation of day services. Following further consideration it is proposed that the charge remain at £10 per session for 2019/20.
- **Domiciliary Care hourly rate** – the charge is currently not shown as increasing for 2019/20. However, the rates we pay our providers currently stands at £16.25 per hour; whereas the amount we charge service users remains at £13ph and has not increased for five years. If we increased the charge to £16.25 this would generate approximately £250k for Adult Social Care.
- **Placement charges** declared rates have been adjusted to reflect inflationary increases, in line with the agreed nationally set process.
- All other charges have remained unchanged.

### 3.9 Corporate – Summary of Changes

The following key changes have occurred for 2019/20 fees and charges:

- Charges have increased in line with inflationary increases
- GDPR regulations required removal of residency certificate charge
- No new charges have been introduced

## **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 £8.912m has been proposed within the MTFS for additional income generation in respect of fees and charges income for 2019/20. This represents a 7.5% increase on the 18/19 income generation target and takes into consideration actual performance during 18/19.
- 4.3 For service areas the respective targets will be secured through a blend of rising demand increases from residents and businesses, and an increase in fees and charges for 2019/20.
- 4.4 To allow the Council services to better respond to changes in the commercial environment for fees and charges; delegated authority is sought through Cabinet to permit the Director of the Service Area jointly with the Director of Commercial Services to vary service charges within the financial year due to commercial considerations.
- This will allow service areas, providing services on a traded basis, to vary their fees and charges to reflect commercial and operational considerations that impact the cost recoverability calculations.
  - Any changes to Fees and Charges due to commercial considerations will require the consultation with, and agreement of, the relevant Portfolio Holder.
- 4.5 Provided in the following sections are the Overview and Scrutiny reports extracts for each service area in respect to the Fee and Charges 2019/20 income targets given previously.

## **5 CGS - Arboricultural**

- 5.1 The service area is currently being reviewed and at present there is limited commercial operational scope, although an income target is shown this is offset through savings from vacant posts.

## **6 CGS - Outdoor Sports and the Commercial Hire of Open Spaces**

- 6.1 The strategic objective for charging for use of the outdoor sports facilities is to provide quality services that are competitively priced to encourage optimum use and consequently maximise income levels while at the same time reducing net subsidy.
- 6.2 The sports offer is currently heavily subsidised, with the income received from the letting of sports facilities recovering significantly less than the cost of delivering the service. User expectations are high and the service is being challenged to maintain and in some cases improve the service offer. The service area will be reviewed during 2018-19 to understand fully the financial position and to develop options for improving its financial position.

- 6.3 The outdoor sports service offer is periodically reviewed, and fees and charges have been increased for 2019/20 in line with indexation. Fees and Charges remain comparable with those of comparator boroughs
- 6.4 The structure of the fees and charges has been expanded to correctly reflect VAT for those charges that qualify. This was not previously shown as separate lines within the fees and charges.

## **7 CGS - Allotments**

- 7.1 Thurrock Council currently provides two Allotment Sites with all other sites in the borough being self-managed by community groups. The fees and charges in this report reflect Council Managed Allotments only.
- 7.2 The income received from allotments contributes towards the ongoing running costs that they incur. Taking into account the management costs and the income received Allotments are currently cost neutral.
- 7.3 Allotment charges will remain unchanged for 2019/20.

## **8 CGS - Domestic Waste Charges**

- 8.1 The collection of Domestic Waste is provided free of charge. Legislation makes a number of exceptions to this; Waste Collection Authorities can charge for the collection of bulky items and for replacement waste receptacles where appropriate. The Council currently charges for both bulky waste collections and replacement waste receptacles, the charges for both have been reviewed as part of this process and remain unchanged.
- 8.2 The strategic objective for charging for non-statutory waste services is to cover the cost of providing the service, so far as is practicable; taking account of the need to protect the street scene, residential amenity and to provide residents with an affordable responsible avenue to dispose of their waste. In support of this campaigns are being developed to promote responsible waste disposal.
- 8.3 In order to encourage residents to responsibly dispose of their waste the charge for bulky waste collections will remain unchanged for 2019/20. The collection of these materials incurs a net expense to the council however the decision has been taken not to increase charges to prevent any increase in fly-tipping.
- 8.4 The charges for the issuing of replacement Refuse and Recycling Bins where lost or damaged are also remaining unchanged for 2019/20. A review of the current costs to the Council will be undertaken for replacement bins to ensure cost recovery.
- 8.5 An additional charge was introduced in 2018/19 to cover the cost of supplying eurobins to flatted complexes for new developments and remains unchanged for 2019/20.

## **9 CGS - Commercial Waste**



- 9.1 The Commercial Waste Service offer waste collection and disposal services to businesses and organisations within Thurrock who do not qualify for a domestic collection under the Controlled Waste Regulations 2012. The service offer a wide range of collection sizes across residual waste, composting and recycling disposal methods in order to meet needs of small, medium and large businesses across the borough.
- 9.2 Currently the service is projected to deliver on its current income target for 2018/19, and charges remain unchanged for 2019/20. Trade waste charges are shown for information but are Price-On-Application (POA), as they are commercially sensitivity.
- 9.3 Commercial Waste charges are set in line with the volume and frequency of collections that a customer requires and at a rate that will best support the delivery of our income targets. Due to the significant market penetration achieved in recent years the income level generated is not expected to increase materially for 2019/20.

## **10 CGS - Burials and Memorials**

- 10.1 Thurrock Council maintains 5 cemeteries providing a range of burial services and graves for cremated remains. Charges for Thurrock Residents are at the rates stated in the Fees and Charges.
- 10.2 In order to protect our limited resources Fees and Charges for non-Thurrock residents are doubled across all categories, as per previous years. This is to reflect the lack of burial space in London boroughs (with notable higher fees) and ensure that Thurrock residents retain enough capacity to meet future requirements. Additional changes have also been made as described below, to further protect these resources from encroachment and ensure availability.
- 10.3 All fees are waived for children up to the age of 16 years.
- 10.4 Burial and Memorial Fees and charges has been reviewed and the benchmarking with neighbouring Authorities has been taken into account. Fees and Charges been increased generally in line with inflation in order to recover any increased costs. The Burials Service is in the process of exploring the opportunities for a wider range of services including cremation and natural burials.
- 10.5 Internment of Ashes – Part 2 Memorial Gardens charge has been increased above inflation to take account of actual costs.
- 10.6 Plot Reservation will also be changed to reflect the limited in-borough capacity. Such that the reservation of a plot is only permitted when a burial is being undertaken to enable the relatives to reserve a single adjoining plot. For avoidance of doubt this means that a maximum of two plots can be purchased. This will enable 3 full burials plus 6 internments of ashes, per plot.
- 10.7 Plot reservation for the exclusive right of burial, will also be reduced from the current 99 years, to 50 years with the option to extend this by 10 year

intervals. This is again to manage the Councils limited capacity and improve the utilization of these limited assets for the benefit of all residents.

## **11 CGS - Environmental Enforcement and Abandoned Vehicles**

- 11.1 Environmental Enforcement issue fixed penalty notices (FPN's) for breaches of legislation. Where appropriate the alleged offender is issued with a FPN as an opportunity to discharge any liability for conviction for the alleged offence. Issuing a FPN is not always appropriate for repeat offenders or those where the severity is such that prosecution is more appropriate.
- 11.2 The minimum and maximum amount that a fixed penalty notice can be issued for is determined by offence and is set out in legislation. The Council has licence to set the amount between the legislated minimum and maximum and can offer early repayment discounts if they are so minded.
- 11.3 In line with the objectives of Clean it, Cut it Fill it and the zero tolerance approach to Environmental Crime, all Fixed Penalty Notices charges have been set at the maximum amount permissible in law, with no option for an early repayment discount.
- 11.4 The proposed 2019/20 income budget for Enforcement reflects the current levels being generated. But there is a corresponding impact on expenditure; therefore the net financial impact is netted off. This is reflected in the detailed financial analysis which informs the budget setting, which offsets income against expenditure and does not result in a budget saving.

## **12 CGS - Registrars**

- 12.1 The Register Office provides the statutory service of registering births deaths & marriages, alongside the non-statutory service of nationality checking and citizenship ceremonies on both a group and individual basis.
- 12.2 The fees and charges set by the Council are always reviewed against neighbouring Authorities, and take full account of any statutory charge limitations.
- 12.3 Customer engagement throughout the year allows us to take into consideration local reaction and address any concerns to changes in the fees and charges.
- 12.4 Overall fees and charges have been increased in line with neighbouring areas and the commercial principal for full cost recovery; this has resulted in increases across the majority of the existing service charges.

## **13 CGS - Theatre Services**

- 13.1 The Thameside Theatre is one of the services accommodated in the Thameside Complex. Costs have been funded through a mixture of:
  - Fees for hire of the facilities
  - Traded Services - for example ticket sales, bar and kiosk merchandise

- Council subsidy
- 13.2 The team has worked with the Commercial Services team and colleagues across the Council to develop a business plan which seeks to eliminate council operating subsidy, build on the reputation of the theatre and increase audience numbers. Like any trading organization, income and costs vary year to year. The annual turnover is typically £650k. In 2016/17, the theatre generated a small surplus and in 2017/18 the subsidy was only £8k.
- 13.3 A thorough review of fees and charges was undertaken for the 2017/18 financial year. Notably:
- A discount tariff was deleted
  - HMRC required that VAT charges were imposed on hiring accommodation;
  - Hire charges were raised by 3%;
  - The performance night staffing charge was increased by 60% to better reflect the actual cost.
  - Sunday hire charges were reduced to attract more business to the theatre.
- 13.4 These changes were implemented in April 2017 and the impact was an increase in hire charges of up to 23% for organisations unable to reclaim VAT plus a 60% increase in the performance surcharge. Bookings are taken a year or more in advance and it was feared that the price increase would cause customer resistance. However competitor venues have undergone the same process and hires have not dropped. The Sunday hire charge decreases have been well received and the numbers of Sunday bookings have continued to increase.
- 13.5 As a consequence of the significant changes made to charges in 2017/2018, the on-going assessment of their impact, current performance and competitor analysis; it is proposed that charges are increased as follows in 2019/2020:
- Approx. 3% increase theatre hire (Actual increase subject to rounding);
  - No change to performance surcharge;
  - Rationalization of charges for technical equipment hire to increase use and simplify charging
  - Reduction of hire charge for Thameside Two in-line with other similar venues to increase hire
  - Adoption of charges for all other areas that may be rented out.
  - Review of charges for foyer for functions including a reduced surcharge
  - Introduction of returnable deposit for gallery use to encourage maximum usage
  - Introduction of fee to produce tickets for hirers who wish to act as their own box office.
- 13.6 New charges may be introduced during the year as new revenue streams are developed. These will be reflected in the following year's fees and charges report.

## **14 CGS - Libraries**

- 14.1 Local authorities have a statutory duty under the Public Libraries and Museums Act 1964 to provide a free comprehensive and efficient library service for all.
- 14.2 The Thurrock Library Service is delivered as part of the wider Essex Contract. This means that Thurrock residents benefit from the wider stock available from across Essex, as well as support with the library management system.
- 14.3 Income from fees and charges in 2018/19 is showing a pressure of £25k. Currently the income from Library services is reactive to the behavior of library users. Many of the formats previously hired are no longer marketable such as DVD's and CD's. Furthermore, the photocopiers in libraries are in the process of being modernised to enable more use, especially in bulk copying. A Library and Community Hub strategy is being considered by Health Overview and Scrutiny in November, and Cabinet in December. The strategy commits to developing a five year investment plan, balancing council funding with commercial and partner opportunities to create a sustainable future. The consultation held summer 2018 to inform the strategy, identified a number of ideas for income generation which are currently being explored and are likely to help enable a more proactive approach to income through fees and charges to be developed.
- 14.4 The proposed fees and charges for 2018/19 have been compared to Essex and Southend Councils, and adjusted where applicable so there is some consistency for residents using the Essex libraries; Southend is no longer part of the Essex Contract. In addition, the fees and charges for libraries in 2019/20 reflect full cost recovery where there is a rationale for applying, this includes requests from other libraries outside Essex and Thurrock, as well as requests from the British Library.
- 14.5 The fee for damaged/lost items for books where no current value can be traced is rarely used. It is usually possible to find a current cost for replacement with a percentage reduction depending on how many years the item has been in stock.
- 14.6 DVD and CD hire: these items are only purchased in small numbers as these formats are being superseded by downloads and alternative technologies (i.e. streaming). And the decrease in fees reflects the market rate; for both DVD/CD and book sale items. CD-Roms are no longer used, and costs are only included for microfilm.
- 14.7 Bulk photocopying service for 50+ copies will be possible following the introduction of new photocopiers, expected in November 2018. This will encourage organisations to consider using branches for larger copying orders. New photocopiers will also address the current shortfall in income from fees. This function will require assistance from staff.
- 14.8 Premises Hire: the proposed charges will be reviewed as partnerships with the community hubs are developed. Currently the charges are divided into hire within opening hours, and hire outside of opening hours (as these require a

member of staff to open and close facility). Charges reflect what we know partners are likely to be prepared to pay.

- 14.9 A new Visa service for immigration purposes is due to be introduced in Grays Central Library in November 2018, following the successful tender to run this service locally. Income from this service, along with all income from fees and charges applied and collected through the library service; will be ring-fenced to support developing future provision of services.

## **15 CGS - Public Protection**

- 15.1 The objective for public protection is to ensure that the fees charged for licences cover the cost of the provision of the licensing service. In most cases licensing legislation prohibits us from making a surplus on the provision of a licence in other cases the licence fees are set nationally or capped at a certain level.

- 15.2 For other fees charged by public protection the picture varies dependent on the purpose for which the fee is charged and so where permissible in law we levy fees to maximise returns based on the costs of the provision of the service provided and market conditions.

- 15.3 Fees are reviewed annually to ensure full cost recovery is achieved whenever possible; and in line with legislation, commercial principals and where permissible, we alter fees to maximise the income contribution towards the Councils budget position.

- 15.4 Licence charges for financial year 2019/20 are outlined below:

- Alcohol & Entertainment – are unchanged, at statutory limitations
- Gambling, including Lotteries and Amusements – are unchanged, at statutory cap.
- Animal Feed Regulations – are unchanged, at statutory limitations
- Explosives Regulations - are unchanged, at statutory limitations
- Petroleum Regulations - are unchanged, at statutory limitations

- 15.5 The following license charges for financial year 2019/20 are on a full cost recovery model; there are no proposals for any changes, however any proposals for changes for these will be agreed through the Licensing Committee.

- Massage and Special Treatment
- Hackney Carriage and Private Hire
- Sex Establishment
- Scrap Metal
- Street Trading
- Animal Premises Licensing.

- 15.6 Public Protection charges are outlined below:

- Control of Dogs – are unchanged, due to external contractor costs

- Testing and Verification of Weighing and Measuring Equipment – have been updated and price matched against neighboring Authorities.
- Other Environmental Protection Charges – are unchanged, due to market competition
- Other Sales and Service Charges – are generally unchanged

15.7 Local Authority Integrated Pollution Prevention and Control (LA-IPPC \ LAPPC) is a system which applies an integrated environmental approach to regulate certain industrial activities. Department for Environment, Food and Rural Affairs (DEFRA) changes in 2017/18 meant that the methodology and structure of the charges were fully revised for 2018/19 fees and charges. DEFRA charges remain unchanged for 2019/20.

15.8 LA-IPPC involves determining the appropriate controls for industry to protect the environment through a single permitting process. This means that emissions to air, water (including discharges to sewers) and land, plus a range of other activities with an environmental impact, must be considered together.

## **16 CGS - Public Protection – Statutory COMAH Activities**

16.1 Relate to statutory duties for inspections, exercises and/or making of recommendations to COMAH applicable sites within the borough where materials, chemicals, oil, gas or other substances are stored, transported and processed; such that they represent a major hazard and consequently fall under the Control of Major Accidents Hazards Regulations 2015 (COMAH).

16.2 These were introduced during 2018/19 under delegated authority, and under the regulations the council is permitted to recover all costs associated with performance of its duties including all overheads and associated costs.

16.3 Service delivery was internalised in 2018/19, and is delivered using a rate charge for officer time, and supporting activities.

16.4 This service may also be sold to other businesses (i.e. sites where COMAH regulations are currently not applicable) on a commercial basis and charged on an individual case basis, against an agreed scope of works to be undertaken.

## **17 CGS - Heritage Service**

17.1 The Heritage Service will be charging fees at the Thurrock Museum and Coalhouse Fort during 2019/20. Fees will be charged for the following services:

- School visits to Coalhouse Fort and Thurrock Museum
- Talks given to other organisations
- Information education sessions
- Topic loan boxes for schools
- Research and readers tickets

- 17.2 School visit charges for Coalhouse Fort and Thurrock Museum are based on a class of pupils. The fee is a flat fee of £150 per class, per day (based on c.30 pupils). This fee covers the cost of a staff members time to run the session and a freelancer to help deliver the session, so that two classes can attend on one day. This is preferred both by the schools and heritage service; and the fee has been set to take into account affordability for the local areas, affordability for schools and what other local providers also charge (including Braintree, Chelmsford, Essex and Southend). The fee set is lower than some other organisations as the Heritage service does not provide the same level of dedicated and specialised resources.
- 17.3 Historic and Educational talks – can be given within or outside of Council hours, examples of this are Local Historical Society, U3A groups and historical event days. The fee for new talks is a flat fee of £100, with the fee then dropping to £70 for subjects already prepared and researched. This fee had been decided to cover professional staff knowledge and time, whilst keeping the service affordable for organisations and compares favorably with other providers. Alternatively, talks carried out at Thurrock Museum will be charged at £4 per person, again this price has been decided to reflect what similar organisations charge.
- 17.4 Informal Education sessions – take place during school holidays to engage the local community and different age groups in the borough heritage. Sessions will be charged at £5 per child, accompanied by adult (free). This price has been decided upon based on other local organisation charges and the resource cost needed during these sessions. Further, the Museum is looking to put a monthly activity on for parents and toddlers, these will be charged at £3 per toddler in line with other Museum charges.
- 17.5 Topic Loan boxes gives the opportunity to bring artifacts from the Museum into the classroom. Boxes will be themed to align with curricular, and a survey of schools showed positive interest in this service. The charge for each topic box will be £20 per box, per half term, and compares favorably to other museums.
- 17.6 Research and Reader tickets – relates to enquires for research or other information about a specific local history project or subject. The museum does not have the resources to research this information for the public, and this will allow users to purchase a yearly readers ticket to access the archives and pay for photographs or copies of documents. The cost for a reader ticket will be £10 per person, per year. Museum volunteers will be able to access the archive for free. This compares favorably to other record officers and will be reviewed after 6 months.

## **18 PTR - Visitors Permits**

- 18.1 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.

- 18.2 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.
- 18.3 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.
- 18.4 It is proposed that Thurrock's charges remain unchanged for 2019/20 to support the Council's place-making agenda.

## **19 PTR - Residents Permits**

- 19.1 In line with the previous recommendations, Residents' first two permits will remain unchanged for FY19/20 and will continue to be issued free of charge. It should be noted that 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.

## **20 PTR - Other Permits**

- 20.1 Operational Permits will also remain unchanged at £120 per annum as this is for those that have cause to visit residents as part of their working duties.
- 20.2 Business Permits were changed in FY18/19, and focused on incentivising users towards purchasing annual permits; thereby reducing administration with permit management accordingly. It is not planned to increase them further in FY19/20.
- 20.3 Commuter Permits were introduced in FY18/19 at levels which compared with neighboring councils, using two levels of permit charge based on the locations that could be parked at. It is not planned to increase these in FY19/20 until the impact and take-up can be assessed. Further, to support part-time or flexible commuters the remaining cash only payment meters have been upgraded to accept electronic payment during FY18/19 using existing capital funding.
- 20.4 Contractor Permits were introduced in FY18/19, to support businesses operating in the borough. It is not planned to increase these in FY19/20 until the impact can be assessed. This will allow businesses regularly operating in Thurrock to reduce their operating costs; and reduce the likelihood of them receiving a penalty charge notice. Further, for businesses with only infrequent requirement the remaining cash only payment meters have been upgraded to accept electronic payment during FY18/19 using existing capital funding.
- 20.5 NHS permits have a fee of £120 per annum in 2018/19, the same as operational permits therefore it is suggested that there is no change for 2019/20, to minimize NHS budgetary pressure.
- 20.6 All replacement permits will be liable to a £10 replacement fee for administration purposes except for charities and visitors permits

## **21 PTR - Parking Bays**



21.1 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, and would not be increased in FY19/20 as parking charges remain unchanged.

## **22 PTR - Parking Charges**

22.1 Parking charges remain unchanged for 2019/20 in order to continue to support local businesses and the Council's place-making agenda.

## **23 PTR - Penalty Charge Notices**

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

## **24 PTR - Passenger Transport**

24.1 DBS Checks for education transport operators for PSV drivers and passenger assistants will remain unchanged for 2019/20. 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.

24.2 Any increases will also be reflected in the operator's contract costs with the Council at contract renewal/review stage.

## **25 PTR - Bus Passes**

25.1 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.

25.2 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 cliental are elderly.

25.3 The same administration fee is liable for any pupil who is entitled to education transport and has an annual ticket.

## **26 PTR - Suspension of Bus Stops**

26.1 Current fees and charges were increased in FY18/19 to a flat rate of £75 per day, to encourage road works to be completed expediently. This provides less inconvenience to not only the bus companies, but also to bus users.

26.2 It is not proposed to increase the costs for FY19/20 due to the significant increase in the previous year, and to allow the service to assess the operational impact it makes to road works being completed expediently.

## **27 PTR – Highways Infrastructure**

27.1 Highway Licenses - the charge for a license 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.

- 27.2 Clearances of debris - when clearance or works are required on the highway as a result of a road traffic crash, costs incurred are recovered. An administration fee is charged, with an additional percentage charge to cover the additional time involved in arranging remedial works that exceeds £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.
- 27.3 Traffic Incident management - charges for managing traffic during an event/incident and wide load arrangements have had a set minimum charge introduced to ensure cost recovery.
- 27.4 Traffic Signs - Charges for traffic signs under Section 65(1) of the 1984 Act have been increased to ensure full cost recovery.
- 27.5 Skips on the highway - a fee was introduced that requires all skip companies to register with the Council before they can apply for a license to deposit a skip on the highway. This gives the Council more control and will assist with the management of skips on the highway, and similar fees are charged by other Councils. The license fee for skips remains unchanged for 2019/20 with the current price being in line with neighboring Councils.
- 27.6 Street Naming and Numbering - fees and charges for new property developments and renaming of existing properties have been increased for 2019/20 by inflation.
- 27.7 Public Rights of Way - fees and charges in relation to public rights of way remain unchanged for 2019/20.

## **28 PTR – Network Management**

- 28.1 Permit Fees for Street Works - were introduced into the 2017/18 Fees and Charges to enable the Permit Scheme to commence in October 2017.
- 28.2 Legislation allows Permit Authorities to review their Permit Fees following 12 months of operation of the Scheme. The maximum fee has been shown for 2019/20, but this is subject to the annual audit and review. Should the review not allow an increase, then 2018/19 fee levels will apply for 2019/20.

## **29 PTR – Transport Development**

- 29.1 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 neighboring Authorities.
- 29.2 Commuted Sums Maintenance - neighboring Authorities have increased fees over the last few years and Thurrock is comparable, with the Commuted Sums of Maintenance (CSM) calculation having been changed in 2017/18 so that the

new calculation accounts for road surface costs. These fees and charges are unchanged for 2019/20.

- 29.3 Accident data provision is unchanged for 2019/20.
- 29.4 Travel Plan fees have been increased for 2019/20 by 5%, for both small and large developments.
- 29.5 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.
- 29.6 Road Safety fees for ‘Scooter Training’ sessions for school children have been added to the schedule, in support of the existing Bikeability programme.

### **30 PTR – Vehicular MOT Testing**

- 30.1 Currently the council operates a MOT Testing Station at St Clements Depot, to support testing of Licensed Taxi’s via the licensing fee paid.
- 30.2 In addition, this also provides testing for Class 4, 5 and 7 vehicles categories along with retests. This site does not carry out any actual repairs works necessary for the vehicles to pass the MOT.
- 30.3 Current turnover is circa £15k per annum and the charges are regulated; charges are not at the maximum permissible as market competition would mean that we would lose the business income, and will remain unchanged for 2019/20.

### **31 PTR - Development Control – Standard Planning Fees**

- 31.1 In February 2018 nationally set planning fees were increased by 20%, these increases are included in the appendices and where introduced in the 2018/19 period.
- 31.2 Income derived from the 20% increase is ring fenced by statute to be used for the development and improvement to planning services. Further information on these fees can be found at the ECAB Planning Portal.

### **32 PTR - Development Control - Additional Planning Fees**

- 32.1 Thurrock Development Management offers other planning services that are over and above the nationally set fees. These are Pre Application fees and Planning Performance Agreement fees, both of these fees have been introduced to offer an enhanced service to service users and to promote effective development in Thurrock.
- 32.2 As with the increase in fee income from standard planning fees, the income received from these services has been ring fenced through the Planning

Services Business Plan (2017-2020) which was agreed by the Commercial Board in May 2017. This income has to be spent within the Planning Service.

### **33 PTR - Building Control**

- 33.1 Fee income is dependent 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.

### **34 PTR - Land Charges**

- 34.1 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.
- 34.2 In setting the LLC and Con29 fees for 2019/20, we researched nine other unitary authorities to determine the fees they are charging for the same services. Based upon this, our revised fee structure represents not only a reasonable comparator with other authorities, but also represents a correction to our cost recovery model that had not been revisited for over two years.

### **35 PTR - Corporate Property and Assets**

- 35.1 Corporate property – the majority of the charges for financial year 2019/20 have changed to Price-On-Application (POA), to more accurately reflect to the client the actual costs incurred for the services delivered. The remaining charges within this area are also increased to reflect actual costs for the service delivered.
- 35.2 Further, fees and charges related to commercial matters are negotiated on a case by case basis when agreeing a new lease or variation and therefore the income potential from this area is limited.
- 35.3 These charges will continue to be reviewed as part of the ongoing business activities to ensure that they remain market competitive and to ensure a full cost recovery model.

### **36 Childrens - Placement Support - Oaktree**

- 36.1 Whilst there is an income line showing for this service, this is a legacy financial reporting item. The service does have some capacity to hire rooms, however the income has been very small and no income has been accrued in recent years.

### **37 Childrens - Summer Playscheme for Disabled Children**

- 37.1 The Short Break and Outreach Service has been operating a Summer Playscheme for Disabled Children for many years. The service provides activities for children that cannot access mainstream holiday clubs due their complex and special needs. The service runs for 4 days per week for 4 weeks

of the summer holidays and accommodates 50 children every day. Parents are charged a fee to assist with the high cost of the scheme, which is used to fund towards the high level/ ratio of staff needed to provide a safe service. The fees do not cover the overall cost of the service and the deficit is covered by the Directorate. Sponsorship of the service is being considered to cover the shortfall for 2019/2020 as recommended by the recent Children's Service reviews.

### **38 Childrens - Education Welfare Service**

- 38.1 The EWS provides support for schools and academies that are able to refer cases of poor student attendance. This then is case managed by the EWS to return students to regular attendance, or take statutory action through the criminal court.
- 38.2 In order to attract greater business the service costs were set at a lower level for 2017-18 academic year, and as a result of this the service has secured £14k of additional business (under Traded Service to Schools). These costs remain unchanged for the next academic year, and the service anticipates the same level of service take-up.
- 38.3 In addition, the service issues penalty notices upon the request of the schools, or at its own discretion. The income from the penalty notices is received by the local authority; however the local authority is prohibited from making a profit from this income. The local authority may legitimately use this income to offset the cost of managing the process. In 2017-18 academic year income was £62k, and whilst poor attendance cannot be predicted or controlled as an income target, the service anticipates a similar level of penalty notice income for 2018-19 academic year.
- 38.4 It should be noted that this is a Traded Service to schools and the charges are not included within the published fees and charges report.

### **39 Childrens - Adult College**

- 39.1 Is funded from the Education and Skills Funding Agency (ESFA) and this funding is attached to individual learners. Ongoing work linked to the business plan continually looks to identify ways in which the college could provide additional course ranges that can be charged for. Further it is a requirement of the funding source that any excess income generated must be used to subsidise courses for residents, which meet and contribute too, the Thurrock Council priorities for vulnerable groups.

### **40 Childrens - Music Service**

- 40.1 Has various strands of work subject to different charging models, key areas are:
- Individual and small group tuition is currently based on £31.80 hour (2018-2019), and will increase to £32.70 for 2019/20. The actual charge depends therefore on the length of the session and the number of children involved in it. This charge covers on average the cost of the tutor, on-costs and

travel. It is the expectation of the Grant and the Music Education Plan that access and affordability are key to the activities of the HUB. Under the model we operate, pupils on free school meals (KS2 upwards) and Pupil Premium attract a 50% reduction in the fees and Instrument Hire charges.

- First Access Whole Class programmes - a set of charges are published to schools leading up to the annual sign up for new programmes each September.
- Variants for the Wider Opportunities, which is part subsidised by the grant, include the number of classes in a year group (hence the number of groups to be sent each week); 1 Music Tutor or 2; 1 term or a whole year programme. In some cases, mixed year groups access this provision.
- Variants for the Further Opportunities programme, which is not subsidised as such, are equally 'bespoke'.

#### 40.2 Main fee areas:

- Instrument Loan/Hire: From January 2019 will be £25 per term for most instruments and £12.50 for some of the less expensive instruments (such as guitars) for pupils learning through the Music HUB. From September 2018 a new scale of charges will be offered to pupils studying with alternative providers, more closely aligned to commercial options, and these will range from £20 - £100 per term depending on the instrument. This strand of income will potentially enable the instrument maintenance programme to be enhanced; currently a proportion of the music services grant funding is assigned to instrument repairs/maintenance. The first term of loan/hire of the first instrument learned is free, and again those that qualify receive a no-cost loan. The Council has comprehensive all risks insurance of the instruments with Allianz.
- Exams: The fees are set by the National Examining Boards such as ABRSM. A small administrative fee and accompaniment costs (50% covered by the grant) are added.
- Ensembles: currently these are free to pupils, covered by the grant.

40.3 Whilst access is key, the Music HUB needs to be in a position to review these charges and the service offerings to respond appropriately to the requirements of the Grant and the National Plan for Music Education, in order to keep the operation commercially viable.

### **41 Childrens - Music Services – Whole Class Provision**

41.1 Options offered for the whole class provision range from one term with one Music Tutor at no cost to schools (funded by the ACE Grant) to a whole year with two Music Tutors (including the one term, one Music Tutor grant funded element). There are indications that pressures on school budgets are likely to result in some changes to the pattern of engagement with the whole class provision leading to a reduction in income generation from this strand. The picture for 2018-2019 will become clearer once the current sign up process is completed in September.

41.2 It is a requirement of the ACE Grant agreement that all income generated as a consequence of the Grant Contribution is earmarked and ring-fenced to the Music HUB. There is currently an earmarked Music HUB reserve of £36,568.

#### **42 Childrens - Early Years Education and Childcare - Fees and Charges**

42.1 The Nursery Service faced a challenging period, and the service expected to make a maximum loss on its financial year 2017-18 period of circa £54k. This loss did not occur, with the nurseries actually making a small underspend of £7,636. There is the expectation that the service will come in on budget for 2018-19 also.

42.2 This challenge will only continue to increase, due to the introduction in 2017 of new Government Statutory Early Education and Childcare 30 Hour provisions for 3 & 4 years; which will increase the demand for the lower paying service and therefore reduce the parental fees and charges income.

42.3 This policy introduces an extremely high income threshold for eligibility on the new scheme. Meaning that the additional 15 hours of funded childcare is available for families where both parents are working and each earns less than £100,000 a year; and the expectation is this will probable result in significant increase in demand whilst reducing private sector client base and income levels.

#### **43 Childrens - Early Years Education and Childcare - Service Development**

43.1 The nursery service has a significant cost overhead, with staff making up 80% of service costs and at rates which are not competitive to those paid in the private sector i.e. Council is paying higher basic salary levels.

43.2 Therefore, to develop the service the area will need to fully analyse the following options:

- Operational hours will need to be reviewed around core 30 hours; which will allow the service to charge parents for periods normally used by commuters and working parents
- Consultation with major local employers to align working hours
- Developing a tiered service model, linked to above
- Changing some staff patterns to accommodate a wider operational window
- Increase use of apprentices and trainee staff as vacancies arise
- Development/Expansion of 0 year to 2 year childcare services as potential income stream (in progress and planned for Spring opening)

#### **44 Childrens - Grangewaters - Fees and Charges**

44.1 The service is expecting to achieve target for FY18/19 and remain cost neutral to the Council, and has contingency measures to reduce spend if income targets are unable to be met.

44.2 Supporting this is marketing and sales activities to develop the quieter winter months, this is continuing to identify further income potential and

Grangewaters are anticipating that this will continue to improve Grangewaters financial income position in coming years.

- 44.3 Grangewaters undertook a benchmarking exercise in 2017, and increased its charges for 2018/19 to reflect this. Increases for 2019/20 will be in line with RPI indexation of 2.9% (subject to rounding) to ensure continued cost model recovery, and Grangewaters considers that this increase will not adversely impact on current market share.
- 44.4 We also offer a number of incentives for early bookings and repeat bookings, and these are taken into account within the financial reporting model. These are adapted within year to reflect and incentivise uptake of services during quiet and off-peak periods.

#### **45 Childrens – Grangewaters - Service Development**

- 45.1 Grangewaters continues to develop a number of business plans to increase our income revenue – recognising that Grangewaters needs to remain cost neutral.
- 45.2 Our training facilities are being used by the Councils training and development teams; and we are developing further ideas linking these in with a variety of council services, to increase business opportunities over the coming years. Capital funding has also been secured to enhance the current training facilities.
- 45.3 In addition, a Business Development proposal is being submitted for consideration by management on the future investment and development of the site; this will include the expansion of general facilities, improved access, accommodation, dedicated training centre and increasing the small business start-up area.

#### **46 Housing - Existing Houses in Multiple Occupation (HMO) Licenses**

- 46.1 The HMO license fee is regulated under Section 63(3) of the Housing Act 2004. This allows the Council to set its fee taking into account all costs it incurred in carrying out its licensing function. This has been done for all license applications for up to 5 years.
- 46.2 The regulations do not allow the Council to make a surplus by increasing its license fee above the fully loaded costs of issuing a license.
- 46.3 The early adopter discount scheme which ran until October 2018 will not be repeated.

#### **47 Housing - Future HMO licenses – legislative changes**

- 47.1 Extending Mandatory HMO Licensing guidance has been issued by Parliament. As a result the legislation changes were implemented from October 2018. This shall increase the license requirement potentially for up to 300 properties, for up to 5 years.



- 47.2 In addition, the PSH Team is running a public consultation exercise to consider implementation of an Additional Licensing scheme in Thurrock. This proposed scheme will license small HMO properties with 3 or more people who are unrelated living together and sharing basic amenities such as bathroom or kitchen. This could conservatively cover around 100 – 400 properties, but could be significantly higher and therefore staffing implications will have to be considered to manage the scheme. All licensing income must be ring fenced to administer the licensing scheme as per the regulatory guidance on HMO license fees. Subject to the results of the consultation and Cabinet approval it will be implemented from May 2019.
- 47.3 Fees and charges for small HMO properties will be the same as the mandatory licensing scheme fees. No early adopter discount scheme will for FY19/20 will be offered.
- 47.4 Case law currently under review, will require that the HMO License fee charges are split into two parts; an initial administration element and a license award element. The overall HMO charge value will not be impacted by this change, however, the split is required to ensure compliance to legal case precedence.

#### **48 Housing - Enforcement Notices**

- 48.1 Housing enforcement notices are discretionary charges. The council will only serve an Improvement Notice on the landlord if this is the 'only way' of protecting the health and safety of the occupiers requiring the landlord to meet the minimum housing standards. The Housing Act 2004 allows the Councils to charge for the service of legal notices under the Act. The regulations state the costs should be reasonable and auditable.
- 48.2 Charges for Housing Enforcement which were restructured and increased in FY18/19, these will remain unchanged for the FY19/20 period, whilst the impact of these changes is assessed fully.

#### **49 Housing - Penalty Charges – Housing Planning Act 2016**

- 49.1 Legislative changes under this Act allow the Council to serve civil financial penalties for certain housing offences under the Housing Act 2004.
- 49.2 Civil penalties cover:
- Failure to comply with an improvement notice [section 30]
  - Offences in relation to licensing of HMO [section 72]
  - Offences in relation to licensing of houses under Part 3 of the Act [Section 95]
  - Offences of contravention of an overcrowding notice [section 139]
  - Failure to comply with management regulations in respect of HMO [section 234]
- 49.3 The standard of proof must meet a criminal prosecution standard to serve a Civil Financial Penalty.

- 49.4 The Council charge applied is scalable from the published minimum fee up to a maximum of £30k; at the discretion of the Private Housing service based on the severity, repetition and cooperation of the third party in resolving the issues.
- 49.5 Under this framework the Council retain the financial penalty imposed rather than the Courts for the fine paid as punishment for the offence. This new income from civil penalties must be ring fenced on private housing enforcement activities as per the regulation guidance.
- 49.6 This will be a transparent process which will be outlined in the council statement of principles, to be issued with the new fee structure. Appeals may also be made against the civil penalty charge, with the charge varied or waived dependent on individual mitigating circumstances. Where non-payment occurs the civil debt recovery process will be used to recover the outstanding liabilities.

## **50 Housing - Smoke and Carbon Monoxide Alarm Regulations 2015**

- 50.1 Legislative changes under this Act allow the Council to require the Landlord to pay a penalty charge for failing to comply with a remedial notice in regards to installing smoke and carbon monoxide alarms within a single dwelling private rented home. The amount to be charged has not been prescribed by the regulations; however, it must not exceed £5k.
- 50.2 The setting of a minimum charge of £1k increasing to the maximum sum of £5k allowed will be levied for repeated breaches within two years.
- 50.3 The service expects most landlords to comply with the law rather than face this financial penalty imposed by the Council.

## **51 Housing - Energy Efficiency [Private Rented Property] 2015**

- 51.1 This new legislation will require private landlords to reach an Energy Performance Certificate (EPC) rating of E before granting a tenancy from April 1st 2018 and will apply to all tenancies from April 1 2020. Landlords with an EPC rating of band F or below G may not grant a tenancy to new or existing tenants.
- 51.2 The Private Housing Service can impose a civil penalty notice if it's satisfied that a property has been let in breach of the Regulations or if the landlord has lodged false information on the PRS Exemption Register.
- 51.3 The council will impose a civil penalty if the landlord has let a substandard property in breach of the Regulations for a period of less than 3 months scalable up to £4k at the discretion of the Private Housing Service. Also, if the landlord has registered false information or misleading information on the PRS Exemptions Register it will impose the maximum fine of £1k.

## **52 Housing - Non Statutory Reports**

- 52.1 This traded service relates to charging providers of supported accommodation such as a children's care home or hostel requiring Houses in Multiple Occupation (HMO) reports to satisfy their local authority providers they comply with HMO management regulations and local amenity standards.
- 52.2 This variable charge depends on the size of the dwelling and number of hazards identified on carrying out the inspection, to recover our fully loaded administration costs.

### **53 Housing - Mobile Homes Act 2013**

- 53.1 The Council has a statutory duty to license, inspect and enforce mobile home site conditions. To enable the Council to monitor site licenses more effectively regarding license obligations, the council is able to charge license fees under the Mobile Homes Act to fund the licensing costs incurred under its licensing function.
- 53.2 The Mobiles Homes Act provides greater protection to occupier's rights of residential park homes and caravans with planning permission under Part III of the Town and Country Planning Act 1990.
- 53.3 Under this Act it allows for licensing of 'relevant protected sites' to ensure they are properly managed and health safety standards are maintained. A relevant protected site is defined in the Act as any land to be used as a caravan site with planning consent.
- 53.4 The council can charge a licensing fee for this function that includes:
- A licence fee for application to grant or transfer a licence or an application to alter the conditions of a licence
  - An annual licence fee for administering and monitoring licences
- 53.5 Examples of relevant protected sites are typically residential parks, mobile home parks, and or Traveller sites.
- 53.6 There are exemptions to this legislation where a caravan site licence is not required under the Caravan Sites and Control of Development Act 1960. For example
- Use within curtilage of a dwelling house
  - Use by a person travelling with a caravan for one or two nights
  - Use of holdings of five acres or more in certain circumstances
  - Sites granted for holiday use only
  - Travelling Showman sites are exempt from licensing
  - It does not include sites that are owned by the council
- 53.7 The new fee charges cover the cost incurred by the council under its licensing functions of this Act.

### **54 Housing - Travelers**

54.1 The Council has three Travelers Sites with a total of 64 operational plots.

Location	Number of Plots
Ship Lane, Aveley RM15 4HB	21 plots
Gammon Field, Long Lane, Grays RM16 2QH	21 plots
Pilgrams Lane, North Stifford, Grays RM16 5UZ	22 Plots

54.2 With the exception of 2018/19, previous increases have been in line with inflationary indices. This will also be the approach taken for 2019/20, which will increase the charge to £105.60p or by 2.9%.

## **55 Housing - Pest Control**

55.1 Housing are examining the option to introduce a Pest Control service, this will be available to businesses, landlords and residents.

55.2 Currently, this service is provided only for social housing communal areas, as part of the council landlord duties. By extending this service to individual domiciles, private properties and businesses, it will allow the Council to better control the conditions within the social housing assets.

55.3 This will also permit residents and landlords to access services with the assurance that the quality, pricing and service provided are monitored, and controlled.

## **56 Health and Wellbeing (HWB) – External Contracts**

56.1 It should be noted that Adult Social Care currently externalises over 80% of its business activities into the independent sector using private, community and voluntary organisations.

56.2 In all areas of activity, residential and nursing care, domiciliary care and supported accommodation there is national acknowledgment of the financial pressure the market faces.

56.3 Fees and Charges are either set as declared rates within local frameworks, or individually negotiated.

56.4 In some cases, national guidance directs the level of charges and then individual contributions are set depending upon prescribed financial assessments, therefore full cost recovery is not always possible.

56.5 As almost all of our services are commissioned within a commercial framework outside of the council this accounts for the limited fees and charges collected for the minority of services provided internally.

## **57 HWB - Blue Badge Application Fee**

57.1 This is a national maximum fee detailed in the Blue Badge Guidance. It is a legally set requirement to charge no more than £10 per badge and currently cannot be changed.

## **58 HWB - Day Care Charge (per session) – for older people**

58.1 Is proposed the charge remain at £10 per session. The proposed increase was previously delayed, due to concerns on its operational impact on service users. Further, there is a risk that any increase may result in an increase in the number of users which would need to enter into full time care, as they could no longer be managed at home. The cost of full time care would present a significant cost burden to the council.

## **59 HWB - Concierge charges - Extra Care**

59.1 This charge is linked to the Elizabeth Gardens “core charge” which was agreed for the term of the current contract which will come to an end in March 2019. The charges for the concierge service in extra care will be reviewed during 2019/20 based on the outcomes of the procurement exercise.

## **60 HWB - Domiciliary Care**

60.1 As of April 2018 this service was commissioned at a higher hourly rate to the Council, which is currently not fully reflected in the £13 per hour charge to service users. A consultation exercise would need to be undertaken to review the current charge, in order to bring it into alignment with the actual operational cost model. If the event that a full commercial cost recovery model was adopted this would result in a direct increase to the hourly charged rate, and corresponding income.

## **61 HWB - Direct Payments – Agency Rate**

61.1 Direct Payments enable individuals to arrange and purchase care themselves. These charges mirror the charges for in-house domiciliary care and externally commissioned care to provide consistent charging, and would be subject to the same consultation exercise if undertaken.

## **62 HWB - Meals on Wheels**

62.1 The meals on wheels contract is a cost and volume contract which expires in March 2019. The service area is assessing the options for its future delivery, which once agreed will allow the charge to be reviewed and adjusted appropriately.

## **63 HWB - Pendant Alarms Private Housing**

63.1 Council decision through Cabinet was made that all assistive technology including the Call Centre response, is provided free of charge due to its preventative care benefits. This charge will remain unchanged for 2019/20.

## **64 HWB - Residential Homes for Older people**

64.1 This is the declared rate for our in house residential care home for older people (Collins House); service users are financially assessed to ascertain the amount they pay per week up to £600, this charge increased slightly for 2018/19.

## **65 HWB - Respite Adult Disability**

- 65.1 The current charge of £20 per session will remain unchanged for 2019/20. Although there is the option to increase charges to be more in line with a full cost recovery model, this would risk the much needed support for informal carers and is a Care Act 2014 priority. The impact of losing support from informal carers is potentially financially catastrophic therefore a balance has to be struck between cost recovery and destabilising informal care. Further, by applying the CRAG (charging for residential guidance) this would inhibit increasing the charge for 2019/20, as it would unduly impact the most financially vulnerable.

## **66 HWB - Elizabeth Gardens**

- 66.1 Support per household - £40 per week is the agreed rate under the current contract which comes to an end in March 2019. The charges for the Elizabeth Gardens service is linked to the Concierge Charges for extra care and will be reviewed during 2019/20 based on the outcomes of the procurement exercise.

## **67 HWB - Transport per journey**

- 67.1 The current charge of £2 per journey will remain unchanged for 2019/20; this is due to the fact that this is only used by residents attending the Day Care services.

## **68 Deferred Payments (DPA)**

- 68.1 This is an administrative function charge of £144 per year charged to service users who are living in residential care and who own their own property, but who chose to wait until they pass away before paying the charges for their residential place. This will be reviewed during 2019/20 to understand if it needs changing for future years.

## **69 HWB - Placement**

<b>Commissioned service : External Spot Placements</b>	<b>Rate</b>	<b>Comments</b>
Residential Placement – Standard Room	declared rate of £465 per week	service users are financially assessed
Residential Placement – Higher Needs	declared rate of £496 per week	service users are financially assessed
Nursing Placement	declared rate of £534 per week	service users are financially assessed
Dementia Placement	declared rate of £520 per week	service users are financially assessed
Additional spot Commissioned Services - Full Cost Recovery	charged up to the rate brokered	service users are financially assessed

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.

## **70 Collins House – Interim beds**

70.1 Are provided to service users discharged from medical care, but who require a period of additional supported accommodation before being able to return to their own residency.

## **71 Collins House – Re-enablement Beds**

71.1 Are provided to service users to regain life skills to enable their return to their own residency.

## **72 Corporate - Legal and Governance**

72.1 In 2016/17 a benchmarking exercise revealed that Thurrock legal fees for section 106, section 38 and section 278 agreements were far less than charged by other authorities. As a result these were substantially increased to the maximum level to ensure cost recovery, and reasonable benchmark positioning against other authorities.

72.2 For Financial year 2019/20 the approach is to increase discretionary charges by a minimum of 3%, to take account of general increases in operational base costs and RPI indexation. Increases will also be adjusted to ensure rounding where appropriate. Statutory prescribed fees will generally be left unchanged.

72.3 It should also 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.

72.4 These charges are captured under Traded Services and will cover:

- Governance Advice services – covering collaborations and public trading activities on a full cost recovery basis; with Legal Services working with the existing clients (including Police and Fire) to ensure a stable future income stream, and leverage potential upsell opportunities from this legal work.
- Other public and private sector legal services – are charged at an hourly rate which will be increased generally for normal activities and significantly for major/specialist legal advice, whilst still remaining market competitive.

## **73 Corporate - Electoral Services**

73.1 These fees and charges are statutorily prescribed with no discretion for variation; with the exception of one discretionary fee item (Certificate of Residency) which has had to be discontinued with the implementation of GDPR regulations.

## **74 Corporate - Democratic Services**

74.1 These fees and charges were updated last financial year, and the approach has been to leave these unchanged for the forthcoming year and then review them.

## **75 Reasons for Recommendation**

75.1 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.

75.2 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 and regulatory changes. And ensure that charges applied to residents, visitors and businesses correctly reflect current regulatory and legislative requirements.

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

76.1 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.

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

77.1 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.

## **78 Implications**

### **78.1 Financial**

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

The impact on income budgets has been set out earlier in the report and has informed the MTFs and annual budget setting process. Additional income is expected to be generated, however, this is dependent on demand for the services. The income position will continue to be monitored throughout the year.

### **78.2 Legal**

Implications verified by: **David Lawson**  
**Assistant Director Legal & 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.

### **78.3 Diversity and Equality**

Implications verified by:

**Natalie Warren**

**Strategic Lead, Community Development  
and Equalities**

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. Decision on setting fees and charges are subject to the Council's decision making structures. Proposals developed by services have given due consideration to equality considerations as these have been developed.

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

- None applicable

**79 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

**80 Appendices to the report**

- Appendix 1 – Schedule of Proposed Fees and Charges for 2019/20 (included as a supplement to this agenda)
- Appendix 2 – Schedule of Fees and Charges no longer applicable (included as a supplement to this agenda)
- Appendix 3 – Feedback from Overview and Scrutiny Committees

### **Appendix 1 – Schedule of Proposed Fees and Charges for 2019/20**

Provided as attachments are the respective Schedule 1 – Proposed Fees and Charges, as submitted through the relevant boards.

- Cleaner, Greener and Safer (CGS) – 6 December 2018 meeting
- Planning, Transport and Regeneration (PTR) – 6 November 2018 meeting
- Childrens Services – 4 December 2018 meeting
- Housing – 18 December 2018 meeting
- Health and Wellbeing (HWB) – 8 November 2018 meeting
- Corporate

### **Appendix 2 – Schedule of Fees and Charges no longer applicable**

Provided as attachments are the respective Schedule 2 – Proposed Fees and Charges, as submitted to the relevant boards

- Cleaner, Greener and Safer (CGS) – 6 December 2018 meeting
- Planning, Transport and Regeneration (PTR) – 6 November 2018 meeting
- Childrens Services – 4 December 2018 meeting
- Housing – 18 December 2018 meeting
- Health and Wellbeing (HWB) – 8 November 2018 meeting
- Corporate

### **Appendix 3 – Feedback from Overview and Scrutiny Committees**

Provided as an attachment are the Feedback's from the respective Overview and Scrutiny Committees meetings held during November and December 2018. These are extracts from the minutes in relation to the Fees and Charges item discussion's only.

- Cleaner, Greener and Safer (CGS) – 6 December 2018 meeting
- Planning, Transport and Regeneration (PTR) – 6 November 2018 meeting
- Childrens Services – 4 December 2018 meeting
- Housing – 18 December 2018 meeting
- Health and Wellbeing (HWB) – 8 November 2018 meeting

**Report Author**

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