

<b>21 January 2020</b>		<b>ITEM: 10</b>
<b>Planning, Transport, Regeneration Overview and Scrutiny Committee</b>		
<b>Fees and Charges Pricing Strategy 2020/21</b>		
<b>Wards and communities affected:</b> All		<b>Key Decision:</b> N/A
<b>Report of:</b> Kelly McMillan, Business Development Manager		
<b>Accountable Assistant Director:</b> Leigh Nicholson, Interim Assistant Director of Planning Transport and Public Protection; Julie Nelder, Assistant Director of Highways, Fleet and Logistics and; Michelle Thompson, Acting Assistant Director of Property and Development.		
<b>Accountable Director:</b> Andrew Millard, Director of Place; Julie Rogers, Director of Environment and Highways and; Sean Clark, Director of Finance, Governance and Property		
<b>This report is Public</b>		

## Executive Summary

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 2020 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.

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

The full list of proposed charges is detailed in Appendix 1, and the proposed deletion of current fees and charges are detailed in Appendix 2 to this report.

### 1. Recommendations

- 1.1 That Planning, Transport and Regeneration Overview and Scrutiny Committee note the revised fees, including those no longer applicable, and comment on the proposals currently being considered within the remit of this committee.**
- 1.2 That Planning, Transport and Regeneration Overview and Scrutiny Committee note that director delegated authority will be sought via**

## **Cabinet to allow Fees & Charges to be varied within a financial year in response to commercial requirements.**

### **2. Background**

- 2.1 The paper describes the fees and charges approach for the services within the Planning, Transport and Regeneration Overview and Scrutiny Committee remit for 2020/21 and will set a platform for certain pricing principles moving forward into future financial years.
- 2.2 The paper provides narrative for the Planning, Transport and Regeneration areas:
- Highways and Fleet
  - Parking
  - Passenger Transport
  - Highways Infrastructure
  - Network Management
  - Transport Development
  - Planning and Growth
  - Development Management
  - Building Control
  - Land Charges
  - Corporate Property and Assets
  - Property related lease, letting and licensing
  - Public Protection

### **3. Thurrock Charging Policy**

- 3.1 The strategic ambition for Thurrock is to adopt a policy on fees and charges that is aligned to the wider commercial strategy and ensures that all discretionary services cost recover.
- 3.2 Furthermore, for future years, while reviewing charges, services will also consider the level of demand for the service, the market dynamics and how the charging policy helps to meet other service objectives.
- 3.3 Rather than a set increase across all service lines, when considering the pricing strategy for 2020/21 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, and charge an admin fee for duplicate services (e.g. lost certificates.)

3.4 For Planning, Transport and Regeneration a number of different methods to tier their charges depending on the service area are used:

- **Highways Licensing** – uses a combination of fixed minimum charges, and variable percentage charge based on specific financial thresholds being exceeded.
- **Street Naming** – use tiered charges based on number of properties
- **Transport Development** – use a number of different charging methods, including minimum charges, deposit retention, financial bonds, and percentage based charges based on specific financial threshold levels.
- **Planning Performance Agreements** – uses the number of properties being developed by the developer per annum to set the charge levels.

3.5 The key following points should be noted for 2020/21 fees and charges:

- **Permits** – fees and charges are unchanged for the 1<sup>st</sup> and 2<sup>nd</sup> permits and increased by inflation for the 3<sup>rd</sup> permit for 2020/21, with amendments being made in relation to charity permits and a new temporary resident's permit to aid new residents/car owners.
- **Parking Bays** – suspension fees remain unchanged for 2020/21
- **Parking Charges** – remain unchanged for 2020/21.
- **Penalty Charge Notices** – are set statutorily and unchanged for 2020/21
- **Passenger Transport** – DBS checks will remain unchanged for 2020/21
- **Bus Passes** – fees and charges are unchanged for 2020/21
- **Bus Stops** - bus stop suspension charge is unchanged for 2020/21
- **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** – Fees and charges are unchanged for 2020/21.
- **Transport Development** – the main transport and development fees and charges are unchanged for 2020/21, with the exception of:
  - **Travel plans** – monitoring charges initially set were set in line with other Local Authorities. These have now been reduced in line with costs incurred.
  - **Bikeability** - training is currently funded by a grant, however this is expected to be partially removed in 2021/22, with award announced summer 2020. Charges will enable continuation of Bikeability training across the borough.
  - **Scooter Training** - Fee of £30 per session will remain for 2019/20 academic year. This planned to increase to £40 per session in 2020/21 academic year to ensure cost recovery

- **Transport** – Vehicular MOT Testing – charges are now shown in the report and remain unchanged for 2020/21.
- **Pre-Planning Application** – charges are unchanged for 2020/21
- **Planning Performance Agreement** – charges are unchanged for 2020/21
- **Building Control** – charges are unchanged for 2020/21
- **Land Charges** – charges are unchanged except for the introduction of an assisted personal search fee to ensure cost recovery.
- **Corporate Property & Assets** – have changed the majority of their charges for 20/21 from Price-On-Application (POA); to more accurately reflect to the client the actual costs incurred for the services delivered.
- **Town Centre Management** – new promotional activity fees have been introduced to help support projects and event run by the Town Centre Management team to help revitalise our high streets, with differing charges for commercial and charitable operators.

#### **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 To allow the Council services to better respond to changes in the commercial environment for fees and charges; delegated authority will be sought through Cabinet to permit the Director of the Service Area jointly with the Director of Finance to vary service charges within 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.

#### **5. Transport and Highways**

##### **5.1 Visitors Permits**

Resident Permit schemes were introduced in order to preserve the limited parking spaces available on-street for residents around towns and train stations and to protect residents from the incursion of commuter parking.

All residents entitled to a Residents' Permit are entitled to purchase Visitor Permits. Charges have remained unchanged for a number of years, the cost of which does not offer a reasonable return.

With the first book of Visitor Permits free annually to each household within a Permit area, they are provided in blocks of 20 which equates to 30 pence per day per visitor. The cost of Visitor Permits thereafter is currently £6.00.

It is proposed that Thurrock's charges remain unchanged for 2020/21 to support the Council's place-making agenda.

## 5.2 Residents Permits

Residents, first permit will remain unchanged and will continue to be issued free of charge, as will the second permit and a £2 increase will be added to the third permit in line with inflation. A benchmarking exercise took place and Thurrock charge less than neighbouring boroughs and will need to look to increase this as a phased approach in 21/22.

A temporary resident permit has been introduced to assist residents who have just bought a new vehicle, are in the process of transferring a foreign vehicle to a Thurrock address or just moved home. The permit is valid for eight weeks and gives residents' time to get the right document(s) for a full resident parking permit. There will be a £10 fee for administration purposes.

## 5.3 Other Permits

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.

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 2020/21.

Commuter Permits were introduced in FY18/19 at levels which compared with neighbouring councils, using two levels of permit charge based on the locations that could be parked at. It is not planned to increase these in 2020/21.

Contractor Permits were introduced in FY18/19, to support businesses operating in the borough. It is not planned to increase these in 2020/21 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.

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 2020/21, to minimise NHS budgetary pressure.

Registered Charity organisations can be issued up to 5 free permits per annum subject to justifying the need based on the scope of the charity. Any additional permits required by the charity will be charged at £10 each. This fee will offset the administration costs incurred by the authority for processing the permit. Local benchmarking has been completed and this fee will bring us in line with our neighbouring boroughs.

#### 5.4 Parking Bays

The suspension of parking bays is a discretionary charge. The charge for this remains unchanged. The current fee is considered to cover the cost of any loss of income as a result of a suspension, and would not be increased in FY20/21 as parking charges remain unchanged.

#### 5.5 Parking Charges

Parking charges remain unchanged for 2020/21 in order to continue to support local businesses and the Council's place-making agenda.

#### 5.6 Penalty Charge Notices

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

#### 5.7 Passenger Transport

DBS Checks for education transport operators for PSV drivers and passenger assistants will remain unchanged for 2020/21. This is in line with Essex County Council (ECC) but will be reviewed annually as some of the operators are procured by both Thurrock Council and ECC.

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

The proposal is to change the way the fees are currently charged in relation to utility requests for a bus stop to be suspended. The new charges are £150.00 first day per stop and £150.00 for second day capped at £300.00.

#### 5.8 Bus Passes

Any resident that applies for their first bus pass under the government's entitlement criteria is to receive their pass free. This is a statutory requirement and no changes to this arrangement have been proposed.

Any replacements for the loss of a pass will see a £10 admin fee remain. This is in line with other authorities' charges especially as the clientele are elderly.

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

#### 5.9 Highways Infrastructure

To enable cost recovery on 3rd party incidents on the Highway three new charges have been introduced:

Initial Response Charge for attendance at the incident - This is to cover the initial assessment following an incident where damage has occurred on the highway. This includes checks to determine driver details, insurance company and Highway make safe etc. (Overall initial assessment) with a cost of £406.

Additional charge per hour for attendance at the incident - This is a new charge relating to the above, if prolonged attendance is needed on site (including provision of prolonged emergency response) at £215 per hour.

Cost reinstatement of permanent repairs following damage to the public Highway - This allows to cover the actual repairs to the highway that need to be carried out following damage caused. i.e., to repair a bridge after it has been struck by a vehicle.

A new consolidated charge has been produced for simplicity and replaces the old charging mechanism in relation to Street naming and numbering new properties; this charge had been benchmarked and set to £159.00 for the first address / property, after this each additional property will be £40 thereafter

Highways Operation has a new fee added allowing for key retrieval from Highway Assets e.g., Gullies, soakaways etc. The new fee will be introduced at £150 per visit.

#### 5.10 Network Management

Permit charges have been reverted back to reflect the same charges in 2018/19 as these cannot be increased until the Permit scheme has been operational for 3 years and a clear business case demonstrates that the Scheme requires an increase to be cost neutral

Traffic Management – or giving of a notice under section 14(2) of the 1984 Act for reason mentioned in section 14(1)(a) has been benchmarked and set to increase by £70.00, the new charge is £650.00.

In addition we also increased anything done by a local traffic authority in connection with or in consequence of the making of an order under section 14(1) as above has been benchmarked and set to increase by £100.00, with a new charge of £1100.00

Inflation has been added to all fixed fee amounts where charges haven't been altered.

#### 5.11 Transport Development

Current fees for agreements pursuant to Sections 38 and 278 of the Highways act (adoption of road and highway licenses for developer works) have been bench-marked against neighbouring Authorities.

Neighbouring 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 2020/21.

Accident data provision is unchanged for 2020/21.

Fees for the monitoring of travel plans were initially set in line with other Local Authorities. These have now been reduced in line with costs incurred.

Bikeability training is currently funded by a grant, however this is expected to be partially removed in 2021/22, with award announced summer 2020. Charges will enable continuation of Bikeability training across the borough.

- Road Safety - Bikeability Training Level 1 - £5
- Road Safety - Bikeability Training Level 2 - £10
- Road Safety - Bikeability - Learn to Ride - Under 16s - £10
- Road Safety - Bikeability - Learn to Ride - Over 16s - £20
- Road Safety - Bikeability - Balance Bikes - £60
- Road Safety - Bikeability - Learn to Ride - Over 16s - £20

The current fee for Scooter Training of £30 per session will remain for 2019/20 academic year. This planned to increase to £40 per session in 2020/21 academic year to ensure cost recovery

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.

## **6. Planning**

### **6.1 Development Management – Standard Planning Fees**

Income derived from the previous 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.

### **6.2 Development Management - Additional Planning Fees**

Thurrock Development Management offers other planning services that are over and above the nationally set 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.

### 6.3 Building Control

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.

### 6.4 Land Charges

Local Land Charges (LLC) income is derived from charges associated with the sale and purchase of property in Thurrock. This account functions on a cost recovery basis, therefore any increase in income cannot be used outside of the LLC budget.

The introduction of an assisted personal search fee for an optional service available will ensure the cost incurred by the service are recovered.

## 7. Corporate Property and Assets

7.1 Corporate property – the majority of the charges for financial year 2020/21 have changed from Price-On-Applcation (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.

7.2 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.

7.3 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.

## 8. Town Centre Management

8.1 New Promotional Activity Space fees will effectively capitalise on otherwise unutilised space on the boroughs high streets as a source of income for the council. In line with similar fees for the region, the price point differs for charity and commercial bookings.

8.2 The fees have been set for Grays and Corringham, reflecting the existing demand in Grays and a charging pilot being trialled in Corringham:

- Grays - Commercial (per day) - £132
- Grays - Charity (per day) - £48
- Corringham - Commercial (per day) - £120
- Corringham - Charity (per day) - £43.20

- 8.3 Income generated via these bookings will be directed to the Town Centre Management (TCM) budget, and will in turn fund projects and events arranged or facilitated by the TCM team, helping to enhance and revitalise the boroughs high streets.

## **9. Reasons for Recommendation**

- 9.1 The setting of appropriate fees and charges will enable the Council to generate essential income for the funding of Council services. The approval of reviewed fees and charges will also ensure that the Council is competitive with other service providers and neighbouring councils. The ability to vary charges within financial year will enable services to more flexible adapt to changing economic conditions.
- 9.2 The granting of delegated authority to vary these charges within financial year will allow the Council to better respond to commercial challenges.
- 9.3 The wider financial implications and effect on individual service budgets will be presented in the final Cabinet Paper in February 2020

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

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.

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

The changes in these fees and charges may impact the community; however it must be taken into consideration that these price rises include inflation and no profit will be made on the running of these discretionary services.

## **12. Implications**

### **12.1 Financial**

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

The effect of any changes to fees and charges on individual income targets will be determined as part of the 2020-21 budget setting process in which Corporate Finance and service areas will review anticipated level of demand, fee increases, previous performance and potential associated costs. Future reports will set out the 2020-21 targets across all directorates.

## 12.2 Legal

Implications verified by:

**Tim Hallam**

**Acting Head of Law, Assistant Director  
of Law & Governance**

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 Council's general power of competence under section 1 of the Localism Act 2011. 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.

## 12.3 Diversity and Equality

Implications verified by:

**Becky Price**

**Team Manager, Diversity & Equality**

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

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

None

**13. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):**

None

**14. Appendices to the report**

- Appendix 1 – Schedule of Proposed Fees and Charges for 2020/21.
- Appendix 2 – Schedule of Fees and Charges no longer applicable.

**Report Author:**

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