

6 February 2020		ITEM: 6
Cleaner, Greener and Safer Overview and Scrutiny Committee		
Fees and Charges Pricing Strategy 2020/21		
Wards and communities affected: All	Key Decision: Key	
Report of: Accountable Assistant Director of Service: Leigh Nicholson - Assistant Director Planning and Growth Daren Spring – Assistant Director Street Scene and Leisure Les Billingham - Assistant Director - Adult's Social Care Tracie Heiser – Assistant Director – Customer Services		
Report of: Accountable Directors of Service: Julie Rogers - Director of Environment and Highways Andy Millard - Corporate Director – Place Roger Harris – Corporate Director - Adults, Housing and Health Karen Wheeler – Director of Strategy, Communications and Customer Services		
This report is Public		

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 3 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 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.

1. Recommendation(s)

- 1.1 That Cleaner, Greener and Safer Overview and Scrutiny Committee note the revised fees, including those no longer applicable; and comment on the proposals currently being considered within the remit of this committee.**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 Cleaner, Greener and Safer Overview and Scrutiny Committee note that director delegated authority will be sought via Cabinet to allow Fees and Charges to be varied within a financial year in response to commercial requirements.

2. Introduction and Background

2.1 The paper describes the fees and charges approach for the services within the Cleaner, Greener and Safer 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 Cleaner, Greener and Safer areas:

- Arboricultural
- Outdoor Sports and the Commercial Hire of Open Spaces
- Allotments
- Domestic Waste
- Burials and Memorials
- Environmental Enforcement and Abandoned Vehicles
- Registrars
- Theatre
- Heritage Service
- Public Protection

3. Thurrock Charging Policy

3.1 The strategic ambition for Thurrock is to adopt a policy on fees and charges that are aligned to the wider commercial strategy and ensure that all discretionary services cost recover.

3.1.1 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.

3.1.2 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 to neighboring 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 charge
- 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.)

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

- **Outdoor Sports and open spaces** - have increased fees and charges by a range of between 1.94% - 9.76% to reflect moving towards a cost neutral approach.
- **Allotments** - fees and charges have increased in line with forecast inflation 2020/21
- **Domestic Waste** - fees and charges are unchanged for 2020/21
- **Burials and Memorials** - Following a thorough benchmarking exercise last year it has been decided that this year all burial fees will be increased in line with forecast inflation and the cost of living
- **Environmental Enforcement** – fees and charges are set by legislation, with Council charging the maximum permitted, in line with policy.
- **Registrars** – on the 16th February 2019 the new regulations come into force for the Local Registration Service (LRS) the regulations make the following changes to certificate fees, which have been agreed with the National Panel for Registration, the revised fees mirror those that will be provided by the General Registration Office (GRO) and remove the disparity between the two services as they have been set at a National Average Level:
 - 1) *The three-tier Certificate fees will be removed and replaced by one single (standard) fee of £11 regardless of when the application is made. The £11 fee will also apply to a Short Birth Certificate.*
 - 2) *The introduction of a statutory priority certificate for of £35 for a 24hour service*
- **Theatre** – each year the theatre reviews charges based on monitoring in year changes to demand, customer feedback and changes made by neighboring theatres. For 2020/21 most fees and charges will increase in line with forecast inflation however there are a number of exceptions including:
 - Performance surcharges, costs for extra staff, some hire charges, the gallery deposit scheme and costs of ticket printing remain unchanged;
 - Hire charges for using the museum as an additional dressing room will increase to offset additional cleaning costs we now incur, with the addition of the cleaning costs now included in the price this is a 28.3% increase which is needed to cover our costs of the cleaning.
 - Technical hire packages have been introduced to simplify hire of technical equipment and improve take up;
 - New services (and charges) will be introduced including a cost to hire the theatre spaces for dance festivals; the foyer for private functions and

for offering staff services and technical support to events arranged by third parties;

- **Public Protection** - licensing fees and charges are set through the licensing committee and TBC for 2020/21. Other Public Protection fees and charges remain unchanged for 2020/21 with the exception of those relating to the Control of Dogs, which have been restructured in line with the charges levied by a new contractor. And are above inflation
- **Heritage Service** – the service charges for educational visits to Coalhouse Fort and to the Museum, talks, informal education, topic loan boxes and research tickets. It is proposed that charges are not changed for 2020/21.

3.3 **Proposals and Issues**

3.3.1 The fees and charges for each service area have been considered and the main considerations are set out below.

3.3.2 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.

3.3.3 Unless indicated otherwise, fees and charges for 2020/21 will increase in line with forecast inflation for 2020/21 (subject to rounding).

3.4 **Arboricultural**

Due to the limited commercial scope, caused by the difficulty of recruiting arboricultural staff in the public sector, the service has now recruited an apprentice with a view to develop the skillset in-house and looking at commercial opportunities in 2020/21 and onwards

3.5 **Outdoor Sports and the Commercial Hire of Open Spaces**

3.5.1 The strategic objective for charging for use of outdoor sports facilities is to provide quality services that are competitively priced to encourage optimum use and consequently maximize income levels while at the same time reducing net subsidy and encouraging the Councils wider health and leisure strategy.

- 3.5.2 Currently the cost of maintaining the pitches is not recovered from the income generated. To bridge the gap the service has introduced technology to make efficiencies and reduce the costs as much as possible. Despite these steps, there is still a gap in costs and hence the fees need to increase over the next three years. This will help the service get closer to a cost neutral position. Therefore, all sports pitch fees, season tickets and other charges will be increased by a range of between 1.94% to 9.76% The Council will continue to offer a generous discount for block/season long bookings to support our sports clubs in the borough who participate in leagues and competitions
- 3.5.3 Whilst the work to increase the fees and charges is taking place, clubs are being supported to make informed choices on alternative options in looking after their clubs and facilities. Some clubs have decided to raise the cost of maintaining their own facilities and in return not pay any fees and charges.
- 3.5.4 An example are the bowls clubs based at Blackshots. They no longer pay fees to the council, instead they have formed a partnerships at Blackshots and use the fees to select a specialist maintenance contractor of their choice who will look after the facility and bring it up to the highest possible standard. As a self-managed club/ group the additional benefit was their new ability to apply for funding to carry out other major works they felt would make their site a better place. The group secured £27k to relay the south green, creating an enhanced bowling green that will enable more people to join the clubs next year.
- 3.5.5 Currently Outdoor Event Applications are charged based on each individual application. No charge is made for the event application. However, there are several application that are processed with the result leading to the event not taking place. It can take between 2-6 hours of staff time to assess each application, particularly when follow up is required to ensure the applicant is compliant with the terms and conditions. We are proposing an admin fee of £25 to assess each application, as research suggests other boroughs are already doing this.

3.6 Allotments

- 3.6.1 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.
- 3.6.2 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. Allotment increased along with forecast inflation for 2020/21.

3.7 Domestic Waste Charges

- 3.7.1 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 have increased in line with forecast inflation.

- 3.7.2 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. Communication campaigns are being developed to promote responsible waste disposal, and a recycling officer has been introduced to help drive this agenda forward.
- 3.7.3 A review of neighboring authorities' charges for bulky waste has led to the Thurrock charges remaining unchanged for 2020/21. The service is currently reviewing activities to explore if there are further commercial opportunities

3.8 Burials and Memorials

- 3.8.1 Thurrock Council maintains five cemeteries providing a range of burial services and graves for cremated remains. Following a thorough benchmarking exercise last year it has been decided that this year all burial fees will be increased in line with forecast inflation and the cost of living.

3.9 Environment Enforcement and Abandoned Vehicles

- 3.9.1 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.
- 3.9.2 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 license to set the amount between the legislated minimum and maximum and can offer early repayment discounts if they are so minded.
- 3.9.3 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.
- 3.9.4 A number of additional enforcement charges have been added to the fees and charges schedule for 2020/21 to include the duty of care for domestic waste, and vehicle engine idling. Further enforcement fees have also been included for a variety of offences, some have been agreed, but some will still require approval from the Secretary of State (as stated in Appendix 1).

3.10 Registrars

3.10.1 The Register Office provides the statutory service of registering births deaths & marriages, alongside the non-statutory service of citizenship ceremonies on both a group and individual basis.

3.10.2 The fees and charges set by the Council are always reviewed against neighbouring Authorities, and take full account of any statutory charge limitations.

3.10.3 Customer engagement throughout the year allows us to take into consideration local reaction and address any concerns to changes in the fees and charges.

3.10.4 Overall fees and charges have remained unchanged for the majority.

3.10.5 In February 2019 the law changed which set certificate pricing at a national average level.

3.10.6 The attendance at Approved premises fees have been increased in line with neighboring areas for couples that choose to have their ceremonies at private venues

3.10.7 Three new charges have been introduced using the commercial principal for full cost recovery where commercially appropriate.

1. *Postage and Packing Charge (Special Delivery 24hr Guaranteed)*
2. *Administration Charge to complete PD2 / Proof of Life Confirmation forms*
3. *Ceremonies in the new Lacey Marriage Room*

3.10.8 To enhance customer choice a new room will be provided as an approved premise at the Thameside complex (The Lacey Room) and the statutory Register Office marriage room will be located adjacent to the existing room

3.10.9 We have also increased our 1st class recorded postage service by 50p which reflects as a 20% increase this brings us in line with neighbouring boroughs charges.

3.11 Theatre Services

The Thameside Theatre is one of the services accommodated in the Thameside Complex. The theatre has been working towards a cost recovery model – where the income generated from the theatre offsets direct costs. Income will continue to be generated through -

- Fees for hire of the facilities, equipment and services offered
- Traded Services - for example ticket sales, bar and kiosk merchandise
- Council subsidy (if required)

The team worked with the Commercial Services team to develop a business plan that has now been in place for over a year. The team have worked towards implementing actions contained in the business plan and within their control including purchase of a new ticketing system and a designated marketing person. Both of these changes have had a positive effect on business.

Like any trading organization, income and costs vary year to year. The annual turnover is typically £700k.

A thorough review of fees and charges was undertaken for the 2017/18 and reported to Cleaner Greener Safer Overview and Scrutiny Committee at that time. Since then fees and charges have been closely monitored to assess impact on demand, income generation potential and any changes made by neighbouring theatres

3.12 Theatre Hire, Performance and Ticketing Fees and Charges

1. Fees and charges for 2020/21 are proposed as follows: :
2. Most hire charges are increased by approximately 3%
3. Certain charges will remain unchanged including: Performance surcharges, costs for extra staff, some hire charges (notably for the Thameside 2 room), the gallery deposit scheme and the costs of printing tickets
4. New charged services will be introduced with the aim simplifying the charging regime and increasing access to services while generating income to offset the costs of theatre operations. The new charges are outlined in further detail below:

3.13 New Technical Equipment Charges

1. A full review has been undertaken of technical charges. It is proposed that a much simpler pricing scheme is introduced packaging the services that are available. It is hoped this will help hirers understand what is on offer and increase take up.
2. The packages – Bronze, Silver, Gold & Platinum with costs ranging from £100 -£300 will also help the technical team determine what is required by each hirer well in advance
3. It will still be possible to hire individual items from the technical team. It is proposed costs for these items will increase by 3%

3.14 Extra Dressing Rooms

At present the Theatre occasionally use the Museum spaces as additional dressing rooms. If the museum is used additional cleaning costs are incurred so it is proposed that the fee is increased from £53.00 to £68.00 to cover these additional costs, this equates to a 28.3% increase but is necessary to cover our costs. In addition a caveat will be noted to the hirer to state if a deep clean is required due to their misuse of the area the full cost of the deep clean will

be passed on to the hirer, meaning the Theatre do not incur additional costs. This will be made clear in advance to anyone booking the space as an extra dressing room.

3.15 New Services

1. The theatre team are looking at broadening the range of services they are able to offer to increase reach into the community, support more events and activities and build an income stream that can support the theatre in the future. A number of new charges are included for 2020/21 that cover the following:
 - a. A daily rate for Dance Festivals to hire the Thameside Theatre facilities
 - b. Party Packages to make use of the foyer space when the theatre is not in use
 - c. The Hire of the Theatre's skilled staff to support external/3rd party indoor and outdoor events across the borough and surrounding areas - including provision of technical equipment

3.16 Heritage Service

Thurrock Heritage Service charges for a number of services:

- School visits to Coalhouse Fort and Thurrock Museum
- Talks given to other organisations
- Informal educational sessions
- Topic loan boxes for schools
- Research and Readers tickets

Charges were formally introduced this year and the service is monitoring impact on demand. For 2020/21 charges have been compared with other services similar to those offered by the Thurrock Museum. In general these services have not increased charges in the past year and therefore it is proposed that charges remain unchanged for 2020/21.

4. Reasons for Recommendation

- 4.1 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 flexibly adapt to changing economic conditions.
- 4.2 The granting of delegated authority to vary these charges within financial year will allow the Council to better respond to commercial challenges.

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

- 5.1 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 purchasing.

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

- 6.1 The changes in these fees and charges may impact the community; however, it must be taken into consideration that these price rises include inflation.

7. Implications

7.1 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.

7.2 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.

7.3 **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

7.4 **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder, or Impact on Looked after Children)

None

8. **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

9. **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.

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