

8 December 2020		ITEM: 5
Planning, Transport, Regeneration Overview and Scrutiny Committee		
Fees and Charges Pricing Strategy 2021/2022		
Wards and communities affected: All	Key Decision: Key	
Report of: Kelly McMillan, Business Development Manager		
Accountable Assistant Director: Leigh Nicholson, Assistant Director Planning Transport and Public Protection, Julie Nelder, Assistant Director Highways, Fleet and Logistics, Michelle Thompson, Corporate Property.		
Accountable Director: Andy Millard, Director of Place, Julie Rogers, Director of Environment, Highways and Counter Fraud Sean Clark, Corporate Director of Finance, Governance and Property		
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 2021, 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. We have also taken into account the effect that Covid-19 has and will continue to have on services, residents and the local economy.

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1.1 That Planning, Transport and Regeneration Overview and Scrutiny Committee note the revised fees, including those no longer applicable, and comment on the proposals currently being considered within the remit of this committee.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. Introduction and Background

2.1 This paper describes the fees and charges approach for the services within the Planning, Transport and Regeneration Overview and Scrutiny Committee remit for 2021/22 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 2021/22 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)
- Consideration with regards to COVID 19 and the impact on fees & charges locally & nationally
- 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 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.)

3.4 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.
- **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.
- **Street Naming** – use tiered charges based on number of properties

3.5 The key following points should be noted for 2021/22 fees and charges:

- **Permits** – fees and charges are unchanged for the 1st and 2nd residents permits and increased 2.94% (£2) for the 3rd permit for 2021/22.
- **Annual commuter car park permits** - have been reduced by 25% (-£250) with a view to encourage take up of annual passes.
- **Parking Bays** – suspension fees remain unchanged for 2021/22
- **Parking Charges** – remain unchanged for 2021/22.
- **Penalty Charge Notices** – are set statutorily and unchanged for 2021/22
- **Highways infrastructure** – four new fees have been introduced within this area regarding temporary construction, 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.
- **Transport Development** – the main transport and development fees and charges are unchanged for 2021/22, with the exception of data provision,

crane oversail, design guide, temp construction licence which have increased slightly around 2%-3% (£2-£5)

- **Transport (Fleet)** – Vehicular MOT Testing – charges remain unchanged for 2021/22.
- **Pre-Planning Application** – charges have increased slightly for 2021/22 around 2% - £3% (£1-£48 (major developments))
- **Planning Performance Agreement** – charges are unchanged for 2021/22
- **Non Commercial Matters** – Stanley Lazzell charges have been removed for 2021/22 as this has changed its usage as no longer commercially viable
- **Land Charges** – have increased slightly for 2021/22 where applicable 2%-3% (25p - £6)

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 Resident Permit are entitled to purchase Visitor Permits.

With the first book of Visitor Permits free annually to each household within a Permit area, they are provided in blocks of 20. The cost of Additional Visitor Permit sheets thereafter is £6.50, a proposed increase from £6.

5.2 Residents Permits

Residents, first permit and second permit will remain unchanged and will continue to be issued free of charge, a £2 increase is being proposed to the third permit. A benchmarking exercise has taken place, Thurrock charge less than neighbouring boroughs and it is proposed that this increase forms part of a phased approach continuing into 22/23.

5.3 Parking Charges

In order to continue to support the economy following Covid-19 and continue to support local businesses and the Council's place-making agenda, parking charges remain unchanged for 2021/22

5.4 Penalty Charge Notices

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

5.5 Bus Passes

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

Any replacement for the loss of any bus pass will be charged an admin fee, this fee remains unchanged.

5.6 Highways Infrastructure

To ensure works are cost neutral & we cost recover on 3rd party incidents on the Highway four new charges are proposed:

- Highway Infrastructure - Temporary Construction Access Licence which has been set at £300.
- Highway Infrastructure - Temporary Construction Access Deposit - Deposit to cover cost of reinstatement should Developer fail to reinstate correctly. Which is set as Price on Application as the price will be dependent on the cost of the reinstatement.
- Highways Infrastructure – New vehicle cross over (extension) which is set at £350 (this is our reduced rate in connection with the footway renewal programme, this is only applicable whilst planned footway works are going ahead).
- Highways Infrastructure – New vehicle cross over (stand-alone) which is set at £600 (this is our reduced rate in connection with the footway

renewal programme, this is only applicable whilst planned footway works are going ahead).

5.7 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. The fees and charges have increased slightly for 2021/22 where appropriate around 2%-3%.

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 related to market share. 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.

7. Corporate Property and Assets

- 7.1 Corporate property – the majority of the charges for financial year 2021/22 are Price-On-Application (POA), to more accurately reflect to the client the actual costs incurred for the services delivered.
- 7.2 Further, fees and charges related to commercial matters – Stanley Lazell have been removed as this is no longer commercially viable therefore a change of use for 2021/22 had been agreed.
- 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. Reasons for Recommendation

- 8.1 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.
- 8.2 The granting of delegated authority to vary these charges within financial year will allow the Council to better respond to commercial challenges.
- 8.3 The wider financial implications and effect on individual service budgets will be presented in the final Cabinet Paper in February 2021

9. 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.

10. 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.

11. Implications

11.1 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 2021-22 budget setting process in which Corporate Finance and service areas will review anticipated level of demand, fee increases, previous performance and potential associated costs. Covid-19 has significantly impacted the Authority's ability to achieve current income targets and this will be taken into consideration when setting future targets. The Council wide draft budget report will set out the 2021-22 targets across all directorates

11.2 Legal

Implications verified by: **Tim Hallam**
Deputy Head of Law and Deputy 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 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.

11.3 Diversity and Equality

Implications verified by:

Becky Lee

**Team Manager, Community
Development & Equalities**

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.

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

- None

12. 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

13. Appendices to the report

- Appendix 1 – Schedule of Proposed Fees and Charges for 2021/2022.
- Appendix 2 – Schedule of Fees and Charges no longer applicable.

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