

10 February 2021		ITEM: 12
Decision: 110552		
Cabinet		
Fees and Charges Pricing Strategy 2021/22		
Wards and communities affected: All	Key Decision: Key	
Report of: Councillor Shane Hebb, Deputy Leader and Portfolio Holder for Finance and Transformation		
Accountable Assistant Director: Jonathan Wilson, Assistant Director Finance, Corporate Finance		
Accountable Director: Sean Clark – Corporate Director of Finance, Governance and Property		
This report is public		

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 2021, 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. In particular, that fees and charges are aligned to the commercial strategy and aims to ensure that all discretionary services cost recover.

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 Corporate Director of Finance, Governance & Property and the relevant portfolio holder.

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- 1.1 That Cabinet agree the proposed fees and charges, including those no longer applicable, as per Appendices 1 and 2;**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 Corporate Director of Finance, Governance and Property, the relevant portfolio holder; and**
- 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 for 2021/22 continuing with the the previously agreed Commercial principles with regard to charging.
- 2.2 Income recovery has been considerably impacted in 2020/21 due to a number of restrictive measures implemented as a result of the Covid-19 pandemic. The Local Authority have received compensation from Central Government, alongside a number of other grant allocations to reduce the impact on the overall budgetary position.
- 2.3 Overall fees and charges income targets for 2021/22 will be presented as part of the Draft Budget report to Cabinet in February, within the context of the statutory requirement to set a balanced budget.

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 aims to ensure 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 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);
 - The impact of Covid-19 on each service;
 - 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?
 - Statutory services may have discretionary elements that we can influence; and
 - Do we take deposits, charge cancellation fees, charge an admin fee for duplicate services?

4 Cleaner, Greener, Safer – Summary of Changes

The key following changes have occurred for 2021/22 fees and charges:

- 4.1 **Outdoor Sports and open spaces** – have increased fees and charges between 4% - 5%;

- 4.2 **Allotments** - fees and charges have increased by around 4%;
- 4.3 **Domestic waste** – fees and charges remain unchanged for 2021/22;
- 4.4 **Burials and Memorials** – have increased slightly between 1%-3% and a new charge has been created for burials at the new burial site for Thurrock's Muslim population;
- 4.5 **Environmental Enforcement** – fees and charges are set by legislation, with Council charging the maximum permitted, in line with policy;
- 4.6 **Registrars** – these charges remain unchanged due to the adverse effect Covid-19 has had in this area;
- 4.7 **Theatre** – each year the theatre reviews charges based on monitoring in-year changes to demand, customer feedback and changes made by neighboring theatres. For 2021/22 charges will remain unchanged, due to the impact of Covid-19, with the exception of increased cleaning costs due to Covid-19 deep clean requirements;
- 4.8 **Public Protection** - licensing fees and charges are set through the licensing committee and remain unchanged. Other Public Protection fees and charges remain unchanged for 2021/22 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; and
- 4.9 **Heritage Service** – these have increased between 1%-2% for 2021/22.
- 4.10 All other charges remain unchanged or increase in line with inflation (subject to rounding).

5 Planning, Transportation and Regeneration – Summary of Changes

The key following changes have occurred for 2021/22 fees and charges:

- 5.1 **Permits** – fees and charges are unchanged for the 1st and 2nd residents' permits and increased by £2 for the 3rd permit;
- 5.2 **Annual Commuter Car Park Permits** – have been reduced by 25%, this is to encourage take up of annual permits;
- 5.3 **Parking Bays** – Suspension fees remain unchanged for 2021/22;
- 5.4 **Parking charges** – remain unchanged for 2021/22;
- 5.5 **Penalty charge notices** – statutorily set and remain unchanged for 2021/22;
- 5.6 **Highways infrastructure** – four new charges 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;

- 5.7 **Transport Development** – the main transport and development charges remain unchanged for 2021/22, with the exception of data provision, crane oversail, design guide, temp construction licence which have increased by 2%-3%;
- 5.8 **Transport (fleet)– Vehicular MOT Testing** – charges remain unchanged for 2021/22;
- 5.9 **Pre-Planning Application** – Charges have increased by 2%-3% (major developments);
- 5.10 **Planning Performance Agreement** – remain unchanged for 2021/22;
- 5.11 **Non Commercial Matters** – Stanley Lazzell charges have been removed for 2021/22 as this has changed its usage as no longer commercially viable; and
- 5.12 **Land Charges** – have increased where applicable for 2021/22 by 2%-3%.
- 5.13 All other charges remain unchanged or increase in line with forecast inflation for 2021/22.

6 **Health & Wellbeing Summary of Changes**

The key following changes have occurred for 2021/22 fees and charges:

- 6.1 **Blue Badge Application fee** – The national Maximum charge for this application as detailed in the Blue Badge Guidance is £10;
- 6.2 **Day Care Charge** – For Residents aged over 65, it is proposed the charge remains at £10 per session;
- 6.3 **Concierge charges – Extra Care** – this charge is linked to the Elizabeth Gardens “core charge” which was agreed for the term of the current contract;
- 6.4 **Domiciliary care** – The recommendation is to introduce an incremental increase to the maximum charge per hour for Domiciliary Care. Charges for Domiciliary Care have remained fixed for 4 years at the then unit cost price paid to providers of £13 an hour. Adult Social Care has given an increase in rates to our Domiciliary Care providers since then, however there has been no increase to the maximum amount charged to those who access these services. The current contracted price is £17.06 per hour. The Adult Social Care market remains fragile and the COVID-19 Global Pandemic continues to accentuate this fragility. In 2016 Thurrock experienced significant market failure within Domiciliary Care taking back into the Council 3 external providers resulting in the development of Thurrock Care at Home our in house Domiciliary provision.

A Public Consultation was carried out for 8 weeks from the 12th October 2020 to the 7th December 2020 asking 3 questions:

To what extent did residents agree that the Council review the charges for domiciliary care asking people who can afford it to pay more?
Did residents think that increasing charges would discourage people from accessing services? What rate did people think the charge should be set?

1,248 questionnaires were sent out to people who currently receive Domiciliary Care. 172 completed questionnaires were returned. Of these 41 % indicated that they would be prepared to pay an increased charge, the rest stated that they wanted the maximum charge to remain at £13 an hour. Whilst the outcome of the consultation was not to increase the maximum charge in the light of all our increased financial pressures and our Duty under the Care Act 2014 to provide safe levels of care the recommendation is to incrementally increase the charges. This means that it is a gradual increase whilst not what those who responded wanted it was clear from some of the comments made that there is a level of understanding that care staff should have an increase in pay and be valued for what they do.

It is very difficult but it is not sustainable for adult social care to continue to deliver services without appropriate income. It is important to remember that it is only a small proportion of those receiving care who are assessed to pay full cost most people who receive care pay no contribution or only a very small amount. The financial assessment process is very robust and is a duty place on Adult Social Care Directorates by the Department of Health and Social Care to ensure fair and equitable charging.

The recommendation, is to introduce an increase in charging incrementally over 3 years to enable the charges to keep pace with increases given to providers; this would be proposed as follows:

Year 1 – £14.25 per hour.

Year 2 – £15.25 per hour.

Year 3 - £17.06 per hour : or up to the maximum being paid to external providers (NB this re-establishes the link between what we pay and what we charge and is likely to be a higher figure depending on what increases are agreed for providers over the next two years).

Health and Well Being Overview and Scrutiny Committee 14th January 2021 wanted it noted that they recommended a 4 year incremental increase rather than the 3 years proposed.

6.5 **Cultural services** – These charges have increased where appropriate.

6.6 All other charges remain unchanged or increase in line with inflation for 2021/22.

7 **Housing – Summary of Changes**

The key following changes have occurred for 2021/22 fees and charges:

7.1 **Houses in Multiple occupation** - these charges are comparable to neighbouring boroughs therefore will remain unchanged for 2021/22;

- 7.2 **Assisting Licencing Applications** – these will increase by 2.57%;
- 7.3 **Enforcement Notices** – These will increase by 2%-3%;
- 7.4 **Penalty Charges – Housing Planning Act 2016.** These charges were introduced in 2018/19 and are scaled up to the maximum sum allowed;
- 7.5 **Penalty Charges – Smoke and Carbon Monoxide Alarm Regulations 2015** – these charges remain unchanged;
- 7.6 **Penalty charges – Energy Efficiency regulations 2015** – these remain unchanged;
- 7.7 **Penalty Charge – The Electrical Safety Standards in the private rented sector [England] regulations 2020** – New Charge;
- 7.8 **Mobile Homes** – these charges are comparable to neighbouring boroughs therefore will remain unchanged for 2021/22;
- 7.9 **Travellers Sites** - These will increase by 2.97%; and
- 7.10 **Selective Licensing** – Proposal for 2021/22 – no fee yet allocated.

8 Childrens – Summary of Charges

The key following changes have occurred for 2021/22 fees and charges:

8.1 Nursery places

- 8.1.1 Certain nursery place charges have been scaled for 2021/22 to give a better reflection of the different offers we have available, most charges have been increased to take account of the actual costs of service delivery, which are dependent on the ages involved and corresponding staffing ratios and which option the parents wish to choose. These will be in line with central government grant funding;
- 8.1.2 Some charges have been removed relating to 3, 4 & 5 year olds as this is no longer required due to the level of funding attached to the 15 hours;
- 8.1.3 We have introduced a new holiday club opportunity to provide more opportunities for children to access services;
- 8.2 **Grangewaters** charges have increased between 2% - 3% where appropriate;
- 8.3 **Thurrock Adult Community College** has been integrated into the Council's fees and charges process, small increases have been made which is still significantly below market rates recognising the community engagement within the college and the potential challenges arising from Covid-19;
- 8.4 **Post 16 SEND Home to School Transport** - Cabinet approved the update of the Home to School Travel and Transport policy in July 2020. The update included the implementation of a charging system whereby some post 16 SEND students will pay for their transport in accordance with the Department

for Education's statutory guidance around post 16 SEND transport. The charging system is projected to commence in September 2021; and

8.5 All other charges remain unchanged or increase in line with inflation.

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 flexibly adapt to changing economic conditions.

9.2 The granting of delegated authority to vary these charges within a 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.

10 Consultation (including Overview and Scrutiny, if applicable)

10.1 Consultations will be progressed where there is a specific need. However, with regard to all other items, the proposals in this report do not affect any specific parts of the borough. Fees and charges are known to customers before they make use of the services they are buying.

11 Impact on corporate policies, priorities, performance and community impact

11.1 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.

12 Implications

12.1 Financial

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

The likely budgetary impact of the proposed changes to fees and charges will be considered as part of the detailed budget setting process and final targets will be presented to Cabinet as part of the Draft Budget Report in February. The Council have a statutory duty to set a balanced budget so any decrease in expected income generation will need to be offset by corresponding reductions in expenditure and Corporate Finance continue to work closely with service areas to ensure accurate adjustments are made. The income position will continue to be monitored throughout the year as part of the usual budget monitoring process and existing governance arrangements.

12.2 Legal

Implications verified by:

Tim Hallam

**Deputy Head of Legal & 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.

12.3 Diversity and Equality

Implications verified by:

Becky Lee

**Team Manager, 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 been the subject of Community Equality Impact Assessments 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, and Impact on Looked After Children)

None applicable

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 2021/22
- Appendix 2 – Schedule of Fees and Charges no longer applicable
- Appendix 3 – Feedback from Overview and Scrutiny Committees
- Appendix 4 – Overview and Scrutiny Papers

Report Author

Kelly McMillan, Business Development Project Manager

Business Development and Innovation