

6 December 2022		ITEM: 5
Planning, Transport and Regeneration Overview and Scrutiny Committee		
Fees and Charges Pricing Strategy 2023/24		
Wards and communities affected: All	Key Decision: Key	
Accountable Assistant Director: Leigh Nicholson, Assistant Director for Planning Transport and Public Protection, Julie Nelder, Assistant Director for Highways, Fleet and Logistics, David Johnson, Corporate Property, Gerard McCleave, Assistant Director for Economic Growth and Development		
Accountable Director: Julie Rogers, Director of Public Realm Jonathan Wilson, Assistant Director Finance Karen Wheeler, Director of Strategy Engagement and Growth		
This report is Public		

Executive Summary

This report specifically sets out the fees and charges in relation to services within the remit of this Overview and Scrutiny Committee.

Charges will take effect from the 1st of April 2023, 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 this report. We have also taken into account the effect that the increase in interest rates and the cost-of-living crisis has had on the Local Economy and our services and the continued implications from Covid-19.

Further Director delegated authority will be sought via Cabinet to allow Fees and Charges to be varied within financial year in response to changes in government legislation, all other changes in year will be brought back to Cabinet via the Service Director for transparency.

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1.1 That Planning, Transport and Regeneration Overview and Scrutiny Committee note the revised fees, including those no longer applicable, and comment on the proposals currently being considered within the remit of this committee.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

2. 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 2023/24 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

3. Thurrock Charging Policy

3.1 The strategic ambition for Thurrock is to adopt a policy on fees and charges that ensures that all discretionary services will full cost recover wherever possible.

3.2 Whilst reviewing charges, Directorates will 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 for 2023/24 some key questions were considered:

- Where a tiered/premium pricing structure can be applied
- 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 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
- 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 or commercial floor space 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 2023/24 fees and charges:

- **Permits** - Proposal to introduce a small fee of £10 payable by residents for their 1st Resident Permit and £20 for a 2nd permit. The 3rd permit has increased by £5 from £75 to £80 (6.5%) for 2023/24.
- **Visitor Permits** - In March 2022 Thurrock switched from paper permits to virtual permits. Each household will still be gifted with 100 hours of free visitor parking.

The Virtual Permit solution offers more flexibility to customers who can now activate individual visitor permits simultaneously on multiple visitor vehicles making the most of their free 100 hours.

Additionally, they may purchase individual virtual visitor permits as and when required according to their visitor demand, instead of having to purchase 20 visits valid for 100 hours in one transaction. This change was a direct result of requests from residents and Councillors for Thurrock to offer more flexibility with the visitor permits.

Some zones are restricted for more than 5 hours so in response to increasing requests to extend the duration of the visitor permits, it is

proposed to increase the single visitor permit valid for 5 hours by 10p to a fee of 45p and offer a new all day permit for 75p. This charge is considerably less than standard Pay and Display which costs a minimum of £1 for 1 hour.

- **On Street Pay and Display car park charges** – The last wholesome review of On - Street parking charges in Thurrock took place over 4 years ago. The Off – Street charges linked to Car Parks was reviewed and increased as part of the 2022/23 fees and charges and included a commitment to carry out alternate annual reviews of the On and Off street tariff.

To achieve the required consistency across the car parking tariffs, it is proposed to increase all On - Street parking tariffs in line with off street increases in 2022/23.

- **Thames Rd** - A new long stay fee is proposed to deliver consistency with the increased tariff at Grays Beach. There has been a 15% increase in commuters parking in Thames Road all day, taking advantage of the short stay fee set at £3.20 and not using the commuter long stay Grays Beach car park, current tariff £6.50 all day. The introduction of the consistent long stay tariff will encourage commuters to park off street in long stay car parks, keeping Thames Road more available for short stay visitors to the Yacht Club and Grays Beach.
- **Parking Suspensions** – Charges have increased from £50 to £60 (20%) Parking suspensions do not have a direct impact on residents but mainly effect large private companies who carry out planned works linked to utilities, building or highways. Such applications also serve as requests for priority enforcement at these paid for locations. The increase in charge is reflective of the admin and CEO priority resource required to legally process and effectively support such applications.
- **Off street Parking Charges** – Remain unchanged for 2023/24.
- **NHS Parking Charges** – Remain unchanged for 2023/24
- **Penalty Charge Notices** – Are set statutorily and unchanged for 2023/24.
- **Pre-Planning Application** – Charges have increased for 2023/24 between 0% - 10% (£192)
- **Planning Performance Agreement** – Charges have increased by 10% for 2023/24 (£18,000)
- **Highway's infrastructure** – No new charges are proposed for 2023/24 and remaining fees have increased between 0% and 14% (£43).

- **Transport Development** – The majority of fee increases are in line with projected inflation provision, apart from the fees for development works which have not been increased for at least 2 years. Charges are proposed to increase to reflect increases within the industry and the need for additional consultancy support for specialist technical checks and supervision.
- **Transport (Fleet)** – Vehicular MOT Testing – charges have increased for 2023/24 between 5% -7% class 4 has gone from £36 - £38, class 5 tests have risen from £51 - £55.
- **Land Charges** – have increased where feasible this year between 0% - 20% (£1), there has also been a new charge added for Con29R Search – Commercial Land, A new Commercial Land Charge has been introduced. Previous charges did not consider situations where commercial searches contained multiple parcels, therefore we were not charging enough to cover the resource taken to complete these types of searches.
- **Commercial/Non-Commercial Matters** – have increased between 0% and 11% (£106)
- **Town Centre Management** – have increased between 0% and 11% (£14)

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; The Director of the Service Area jointly with the agreement of Cabinet may 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 consultation with, and agreement of, the relevant Portfolio Holder.

5. **Transport and Highways**

5.1 **Parking Permit overview**

Thurrock Council manage all Permit Parking Areas (PPA) and Controlled Parking Zones (CPZ) across the Borough which have introduced and support priority parking for residents, local businesses and their visitors.

Parking on every road in a zone is controlled at times shown on the signs, when all parked vehicles must have a permit. Parking zones operate at different times depending on local parking pressures.

There are various kinds of permit for other drivers who need to visit local addresses and have a legitimate need to park on roads in a PPA, such as visitors, NHS workers, business, and carers.

Disabled Badge holders are permitted to park for free in permit bays when displaying their Blue Badge.

Short stay parking bays are provided to allow people to visit shops and other local facilities.

Other drivers who are not permitted to park in the zone when it is in force are required to use public parking bays located nearby or utilise Off Street Car Parks in the area.

The demand for limited street parking is managed in this way and enforced by Thurrock Councils Parking Enforcement Team.

5.2 Sustainable Travel

The proposal outlined in this report to revise the on-street car parking permits and Pay and Display charges will also encourage, support and promote more sustainable travel.

Deterring unnecessary car usage by managing fees and charges can encourage people to focus on the sustainable travel options and is one clear way that local authorities can help improve the environment in their area and more globally

5.3 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.

In March 2022 Thurrock switched from paper permits to virtual permits.

Each household will still be provided with 100 hours of free visitor parking equivalent to the 20 x 5 hour visits previously gifted to them in the visitor paper permit sheet. The previous paper permit was a single permit which provided 20 visits, each visit valid for 5 hour blocks.

The cost of Additional Visitor Permit sheets thereafter were £7 each.

Many zones are restricted for more than 5 hours so in response to increasing requests to extend the duration of visitor permits is proposed to increase the single visitor permit valid for 5 hours by 10p to a fee of 45p and offer a new all day permit for 75p. This is considerably less than standard Pay and Display which costs a minimum of £1 for 1 hour.

5.4 Residents Permits

There are currently 5055 resident permits on issue in Thurrock. On average 90% of these permits are issued free of charge.

At this time, residents are issued with two permits per household at zero cost, with a fee of £75 associated with 3rd permit applications.

Any surplus income from parking is ring fenced for purposes as specified in section 55 of the Road Traffic Regulation Act 1984 and is to be used to meet all or any part of costs of the provision and maintenance by the local authority of on and off street.

There has been a consistent increase in costs associated with the administration, enforcement, maintenance and management of these zones which are in place to prioritise parking in favour of residents over the last 5 years, without any charge to residents for their priority 2 parking permits.

Statutory guidance for local authorities set by the Department for Transport states, local authority parking enforcement should be self-financing and the Secretary of State will not expect local taxpayers to meet any deficit.

As the objective of parking controls is 100% compliance, money from the issued fines cannot be used to fully offset associated costs. Local authorities must charge for permits and pay and display tickets in support of the costs associated with the administration, enforcement, maintenance and management of these zones which are in place to prioritise parking in favour of residents.

In efforts to bring the price of these permits in line with other comparable authorities and to ensure the value of these permits is not eroded by inflation, it is proposed to increase by £5 (6.5%) all 3rd permit applications.

In addition, it is proposed to charge a small annual fee of £10 for the 1st resident permit and £20 for a 2nd resident permit application.

On average 75% of residents have 1 (one) permit. A £10 permit fee would contribute an average of £37,910 towards the associated costs.

On average 15% of residents have 2 (two) permits. A £20 permit fee would contribute an average of £15,160 towards the associated costs.

On average 5% of residents purchase the chargeable 3rd permit.

The proposed fees still represent good value for money and compares favourably with most other authorities and neighbouring Boroughs.

5.5 Parking Charges

Proposal – On Street, Pay and Display Tariff increased.

There has been no increase in on street Pay and Display charges in over 4 years not even in line with inflation. It is proposed to increase all On -Street parking tariffs in support of inflation, service, management, enforcement and maintenance costs including business rates, surface maintenance, and signs and line repairs.

There are currently 3 tariff codes as they are designed to support various parking demands. The 3 Tariffs are detailed below:

PP1 = Quick Stop Parking – maximum stay 1 hr (These bays are placed near to the end of roads close to local shops)

PP2 = Short Stay Parking – maximum stay up to 4 hrs

PP3 = Long Stay at Thames Road and the access road to the Yacht Club near Grays Beach

Please see below a table which confirms what the increases across all Pay and Display charges will mean to the customer.

Tariff code PP1	Current Charges	Proposed Charges	Increase %
Brooke Road	Up to 30 mins = 70p	Up to 30 mins = £1.00	42.85%
Clarence Road			
Cromwell Road	Up to 45 mins = 90p	Up to 45 mins = £1.20	33.33%
Dell Road			
High Street Station Approach	Up to 1 hour = £1.40	Up to 1 hour = £1.70	21.42%
Quarry Hill			

Tariff PP2	Current charges	Proposed Charges	Increase %
Bedford Road	up to 1 hour = 70p	up to 1 hour = £1.00	42.85%
Bradbourne Road			
Brooke Road	up to 2 hour = £1.40	up to 2 hour = £1.70	33.33%
Clarence Road			
Cromwell Road	up to 4 hour = £2.30	up to 4 hour = £2.60	13.04%
Derby Road Bridge			
Grange Road			
London Road			
Milton Road			
Orsett Road			

Tariff PP3	Current charges	Proposed Charges	Increase %
Thames Road and the access road to the Yacht Club near Grays Beach	up to 1 hour = 70p	up to 1 hour = £1.00	42.85%
	up to 2 hours = £1.20	up to 2 hours = £1.50	25%
	Over 2 hours = £3.20	Over 2 hours = £4.00	25%
	Over 6 hours – New long stay fee	Over 6 hours – £.6.50	New

5.6 Operational Permit

The new virtual permit system offers more flexibility to offer shorter term permits where appropriate. In response to demand for shorter term contractor permits, it is proposed to introduce new 1, 3 and 6 month contractor permits, available on-line to contractors working in Thurrock. Contractor permits will be charged £50 (1 month), £70 (3 months), £100 (6 months) and the annual contractor permit will increase from £165 to £200.

5.7 Penalty Charge Notices

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

5.8 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, £11 (7.84% increase).

5.9 Highways Infrastructure

These charges have increased between 0% and 14% and have been benchmarked against other neighbouring authorities.

5.10 Transport Development

The majority of fee increases are in line with projected inflation provision, apart from the fees for development works which have not been increased for at least 2 years. Charges are proposed to increase to reflect increases within the industry and the need for additional consultancy support for specialist technical checks and supervision.

1. Minor Works licenses

	Existing	Proposed
thresholds	£0 to £30k scheme costs	£0 to £50k scheme costs
Percentage fees (to scheme cost)	Flat fee for design check and supervision = 9%	Flat fee for design check and supervision = 9%
Minimum fees	£5k	£7.5k

2. S38 / S278 agreements – standard works

	Existing	Proposed
thresholds	£30k - £1m scheme costs	£50k - £1.5m scheme costs
Percentage fees (to scheme cost)	Design Check = 4% Supervision = 6%	Design = 5% Supervision = 7%
Minimum fees	N/A	N/A

3. S38 / S278 agreements – major works

	Existing	Proposed
thresholds	£1m or more	£1.5m or more
Percentage fees (to scheme cost)	Flat fees for design check and supervision = 6%	Flat fees for design check and supervision = 8%
Minimum fees	N/A	£180k

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.

Planning Performance Agreements have increased this year by up to 10%. These charges are now more in line with other authorities as historically Thurrock have been charging a lower fee, this commercial charge will enable us to generate income which will help shape and guide development and growth within the borough, a similar approach will be adopted and will guide

the roll out of Local Plan related PPA's which have been added into the fees and charges this year for 2023/24.

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 must be ring-fenced with the Building Control account. The fees are currently unchanged but are under review and will be taken back to Cabinet in early 2023.

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. A new charge for Commercial Land has been introduced for 2023/24 as previous charges did not take into account situations where commercial searches contained multiple parcels of land, therefore we were not charging enough to cover the resource required to complete these types of searches.

7. Reasons for Recommendation

7.1 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.

7.2 The granting of delegated authority will only apply to legal or regulatory changes. If there is a need to alter fees during the financial year to enable the Council to better respond to commercial challenges, additional reports may be brought to Cabinet for approval

8. 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.

9. 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.

10. Implications

10.1 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 2023-24 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 include the 2023-24 income targets across all directorates

10.2 Legal

Implications verified by: **Mark Bowen**
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

10.3 **Diversity and Equality**

Implications verified by:

Roxanne Scanlon

**Community Engagement and Project
Monitoring officer**

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. A CEIA will be completed to assess the impact of the changes detailed within this report.

Council's pay and display charges have been benchmarked to ensure they are either below or in line with other local authorities and are applied fairly and consistently across all car parks in Thurrock that are the subject of pay and display measures.

Council's overarching Parking Policy and Strategy and Parking Enforcement Strategy was the subject of consultation in November 2020 and each are the subject of Community Equality Impact Assessment. Feedback from this consultation and other individual projects is used to support ongoing monitoring and review of CEIA and the implementation of the related policy and strategies.

10.4 **Other implications (where significant)** – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder, and Impact on Looked After Children

- None

11. **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

12. Appendices to the report

- Appendix 1 – Schedule of Proposed Fees and Charges for 2023/24.
- Appendix 2 – Schedule of Fees and Charges no longer applicable.
(Removed)

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