

Southend-on-Sea City Council

Report of the Deputy Chief Executive and Executive
Director (Finance & Resources)

To

Cabinet

On

26th July 2022

Report prepared by: Gary Perry-Ambrose, Senior Finance
Business Partner

Agenda
Item No.

Fees and Charges Update

Relevant Scrutiny Committee: Policy and Resources Scrutiny Committee
Cabinet Members: Councillor Stephen George and Councillor Paul Collins

Part 1 (Public Agenda Item)

1. Purpose of Report

To consider the introduction of a selected range of new fees and charges, together with some targeted increases above CPI which are outside the scope of the Council's delegated fees and charges policy.

2. Recommendations

Cabinet is requested to approve the new fees and charges proposed for property and legal services at Appendix 1a and the revisions to fees and charges shown in the schedule at Appendix 1b.

3. Background

3.1 Raising revenue from charges for services is an important consideration in the overall financing of the Council's services and activities and a key element for financial self-sustainability. It can in other circumstances play a range of other roles, including demonstrating the value of a service or discouraging abuse of a service. It can also play a role in furthering desirable strategic outcomes. Consideration is therefore given on a regular basis to the scope for raising additional revenue and/or re-enforcing Council policy objectives through charges for services. The review considers the appropriateness and adequacy of the levels of charges proposed and where possible benchmarking local charges against other levels across the region/country.

- 3.2 In September 2018 the Fees and Charges Policy was approved and the constitution updated at Part 3 Schedule 3 paragraph 3.2(k) which delegated authority to Chief Officers to set fees and charges in their areas of responsibility (save for parking charges) including making in year changes in accordance with the approved policy.
- 3.3 The policy states that the prices for services will be decided on an annual basis. However, Fees and Charges may be revised at any stage of the financial year if the need arises such as from legislative changes, supply & demand in the marketplace, or any other factors in line with the Constitution.
- 3.4 Our Medium Term Financial Forecast (Reported in February 2022) highlighted that there is a significant future budget gap which needs to be closed and appropriate levels of fees and charges will form an important part of that work. Receiving income for the services we deliver will also assist in ensuring that we remain financially sustainable as the value of government support continues to reduce.
- 3.5 The fees and charges in this report have been benchmarked against comparator authorities and organisations to ensure that they are fair, appropriate and reasonable.
- 3.6 The majority of the proposed new charges are for services delivered to private organisations rather than local residents as we continue to try to support people during the current cost of living challenge. Of those charges which will impact on residents, the increase is primarily due to a number of years where the price has remained frozen, whilst the medium term financial plan assumptions have continued to increase the budget by inflation, creating a gap which is not sustainable in the long term.
- 3.7 It is anticipated that these proposed changes to fees and charges will be implemented on 1st October 2022 subject to the necessary consultation periods for the relevant services.

3.8 Property and Legal Fees

These fees and charges which are associated with the management, leasing and disposal of the Council's land have been reviewed and benchmarked against the fees and charges levied by other authorities mainly across the East of England region. The Powers to Charge have also been confirmed by independent solicitors, Sharpe Pritchard. This work has been undertaken as part of the corporate 'Know Your Business' initiative. The property and legal charges are in most cases both applicable to property transactions and by presenting them together it is hoped that this is made clear.

There may be some instances where contractual agreements such as leases, limit or prescribe different fees and charges and where there is a contractual position, that will take precedence. The notes to the schedule explain the VAT position and provide that going forward, fees and charges will be uplifted in line with other fees and charges and rounded to the nearest £5. In addition, there is provision for bespoke fee structures to be agreed where appropriate for specific transactions including where charity, community or third sector organisations are involved.

3.9 Planning Fees

A number of changes are proposed to the current pre-application advice service. These include changes to the level and categories of fee used. Reference is also made to the service being applicable to a post application situation, should the applicant wish to engage with that service. This reflects long established existing practice in Southend and elsewhere and is only added for clarity.

A council's approach to planning advice services is determined locally and individual council's take very widely varying approaches to it. A table has been prepared to give a broad general sense of the fees charged at other councils in Essex. However, the significant variations in the categories used and approaches to charging for planning advice in all regards makes direct comparison difficult. The data in the table should be viewed with this in mind.

In broad terms the changes seek to increase fees and introduce some new categories of fees. These will ensure that the charges levied more accurately cover this cost of the work involved. As far as they are comparable the changes will also bring our charges more into line with other similar authorities in Essex.

If adopted the service would be more expensive than it is at present. However, we would not be the most expensive authority in Essex in any given category of development. It should be emphasised that the changes are not about endeavouring to make a profit, they are seeking to better allow the recovery of the costs incurred in delivering the planning advice service.

3.10 Museums Service

The fees charged in the service area are relatively low and as a result any increases, when rounded to the nearest whole number tend to have a significant percentage increase. The museums service has now reviewed a number of their charges and the result is a small increase in financial terms.

3.11 Parking

A number of car parks in zone 3 currently remain non-chargeable and in order to ensure that they become available to users correctly and to encourage appropriate use and turnover of spaces some of these need to become fee paying.

One barrier to these car parks becoming chargeable is the negative impact it will have on current users who are using them for legitimate reasons and have indicated a willingness to pay the appropriate fee providing that a season ticket option is made available. Therefore, it is proposed that a zone 3 season ticket price is introduced so that these car parks can be utilised appropriately with the intention that they will encourage greater use and turnover of spaces rather than being blocked out for significant portions of the day.

3.12 Highways and Enforcement

It is critical that any works on the public highway are done so in a prompt and safe manner and any reinstatement works are to the appropriate standard to ensure longevity of our asset. To this end it is proposed that the fees and charges are reviewed to encourage this behaviour.

In order to reduce unnecessary vehicle access onto a pedestrian zone the fee is being increased to limit vehicle movements and improve safety. Permit extensions will now be charged at the same price as the original permit to remove the low cost option of extending a permit which does not encourage a prompt return to a clear highway. Deposit values are being increased to be able to cover the costs of any reinstatement works should they be required. If the works do not cause any damage, then this will be fully refundable.

The cost of site inspections is also increasing to recover costs of a minimum of 3 inspections (before, during and after).

All of these increases are in order to recover costs, provide a deterrent to overruns on the public highway and encourage a high standard of works which will in turn protect the local street scene.

The value of private vehicle crossings has also been benchmarked against other authorities in the local area and has taken account of the work required within the department to facilitate these.

3.13 Flood Risk Management

Consent is required if temporary or permanent works affect the flow of water or cross-sectional area of an ordinary watercourse. As the Lead Local Flood Authority, we may issue this consent under Section 23 of the Land Drainage Act 1991. Gaining this consent to ensure that water flows are unaffected is critical for any development, especially in an urban area such as Southend.

These new charges will ensure that developers are able to discuss any plans prior to submitting a planning application and can utilise the expert knowledge within the Council to support them during the planning phase.

4. Other Options

To retain fees and charges at their current levels which will result in an increasing gap between income and expenditure as inflationary pressures drive up costs whilst fees and charges remain static.

5. Reasons for Recommendations

As part of our commitment to achieving financial self-sustainability and improved resilience we must ensure a sensible commercial mindset where appropriate. The recommendations in this report allow the Council to improve its income generating capabilities and ensure that appropriate charges are levied where necessary to better cover (or make a contribution) to the costs incurred for delivery of that service.

6. Corporate Implications

6.1 Contribution to the Southend 2050 Road Map

Improving our income base from locally generated revenue sources will assist in moving the Council towards financial independence.

6.2 Financial Implications

As set out in this report

6.3 Legal Implications

None at this time

6.4 People Implications

None at this time

6.5 Property Implications

None at this time

6.6 Consultation

All relevant consultations will take place prior to the implementation of these charges.

6.7 Equalities and Diversity Implications

Any equality and diversity implications will need to be addressed by the individual service areas responsible for the charges and the services which are delivered.

6.8 Risk Assessment

None at this time

6.9 Value for Money

In order to deliver value for money it is essential that the Council gets the right balance between charging for services and funding services from Council Tax. These proposals will improve our income base whilst charging a fair and reasonable fee to users of those services.

6.10 Community Safety Implications

None at this time

6.11 Environmental Impact

None at this time

7. **Appendices**

Appendix 1a – Proposed Fees relating to Property and Legal Services
Appendix 1b – Proposed Fees and Charges Schedule 2022/23

8. **Background Papers**

None