

Fees and Charges Policy 2025/26 to 2028/29

Author	Assistant Director Resources
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1. Introduction / background

- 1.1. With the continuing financial pressures of reduced funding there is an increasing need to generate income locally. Being more commercially minded when setting fees and charges places the Council in a stronger financial position to meet funding challenges. Fees and charges provide an important source of income to assist in the provision of services provided by the Borough Council. Where no charges are made, or where charges do not recover the full cost of providing a discretionary service, council tax payers subsidise these services.
- 1.2. Maintaining and seeking income generation opportunities continues to be a priority within the Medium Term Financial Strategy. This policy provides a framework for the Council, within which fees and charges levied by the council are agreed and regularly reviewed. Regular review should be a minimum of every year to inform the budget setting and with effect from 1 April annually.
- 1.3. The purpose of this charging policy is to maximise income generation and collection to provide a consistent approach to the review and setting of fees and charges. This includes ensuring a fair price for all services is delivered, charges are affordable, costs are recovered and that the relative service demand has been considered.
- 1.4. The decision on whether to make a charge and the amount to charge is not always under the control of the council, some charging levels are set by government nationally and by their nature are not covered by this policy. The policy aims to cover discretionary services and trading activities across the Council ie where the Council has the discretion to apply a charge.
- 1.5. The policy excludes the following:
 - 1.5.1.Council Tax
 - 1.5.2.Business Rates
 - 1.5.3.Property Rents
 - 1.5.4.Housing Rents
 - 1.5.5.Tenant Service Charges
 - 1.5.6.Fees and charges that are determined by central government and regulatory bodies
 - 1.5.7.Any charges levied by trading companies or third parties delivering services on behalf of the Council.
- 1.6. Fees and charges set within the framework will be reported to and approved by Cabinet and those that are outside of the policy approved by Council.

2. Legislation

- 2.1. There are specific powers and legislation that govern the ability for Local Authorities to charge, these include the following:
 - 2.1.1.Local Authorities (Goods and Service Act 1970) – under this power Local authorities have the power to enter agreements with each other and other public bodies for the supply of goods and services, for which terms can exist for payment.
 - 2.1.2.Local Government Act 2003 – Provides the ability to charge for discretionary services (ie the Council has the power to provide but not the duty) on a cost recovery basis and cannot be used where another specific charging regime exists and cannot be used where charging is specifically prohibited by legislation. Through this act an Authority is

able to trade in activities related to their functions on a commercial basis and make a profit, which may be reinvested in services, through a trading company.

2.1.3. The Localism Act 2011 – Section 3 of the act allows Local Authorities to charge for discretionary services offered under their general power of competence.

- 2.2. Legislation recognises the difficulties a council may face in estimating the charges, as this is highly dependent on the demand for the services concerned. Taking one year with another, over a period of time (1 to 3 years), any under recovery can be addressed in setting charges for future years, so that over time income equates to costs.
- 2.3. Legislation refers to CIPFA's definition of total cost. This allows for the recovery of all costs in the organisation, including a proportion of all central and unallocated overheads including democratic costs, depreciation, interest, pension back funding and working capital costs.
- 2.4. Some services are bound by further specific legislation and setting of such fees should refer to the relevant legislation.

3. Guidance

- 3.1. The policy has been produced to provide information to heads of services and managers responsible for applying fees and charges to goods and services delivered by the Council. The aim is to encourage a consistent and cost-effective approach to the setting of charges for services provided by:
 - 3.1.1. Establishing parameters for calculating different levels of charges
 - 3.1.2. Recommending criteria for applying concessions or discounted charges consistently across the council
 - 3.1.3. Providing guidance on the factors that need to be taken into consideration when new charges are introduced, or existing charges are being reviewed
 - 3.1.4. Requiring more active use of market intelligence when reviewing and setting charges
 - 3.1.5. Specifying the process and frequency for reviewing existing charges.

4. Policy

- 4.1. The general principles of the policy are:
- 4.2. "Fees and charges for services are set to seek to cover the cost of delivery and increases are applied annually of **CPI plus up to 1%.**"
- 4.3. Each charge should be identified as belonging to one category in the table below. This assists in the appropriate charging policy being adopted when establishing and reviewing the level of charge. Consideration should also be given to the wider equalities implications which may be involved affecting accessibility of groups to council services.

Type	Objective
A) Full Cost Recovery	Service is generally available with no rationale for providing a subsidy from general taxation
B) Full cost recovery with	Service is generally available and subsidised to ensure disadvantaged groups have access to the service. Concessions are only for those services that seek to

Type	Objective
concession discounts	improve health and wellbeing within the borough.
C) Statutory	Charges are set in line with legal obligations and national government charging policy.

4.4. Adopting a method of full recovery includes the cost of handling the initial enquiry through to the collection of the payment. This can include direct staffing costs, department overhead and financial costs. The policy of CPI plus up to 1% allows for flexibility for annual increases, for example in one year, fees for one service could be increased by CPI alone and for another CPI plus 1%.

4.5. Review of new and existing fees and charges

4.6. As part of the annual budget cycle each service area will carry out a review of existing fees and charges, together with opportunities to raise additional income from new areas of charging and present proposals for revised charges.

4.7. Annual increases in accordance with the policy can be within the range of CPI (only) and up to CPI plus 1%.

4.8. Each service is responsible for reviewing their services and ensuring appropriate decisions are taken for all discretionary services provided. Any proposals for new fees and charges must be considered by the Cabinet ahead of approval by Council.

4.9. Any changes to fees and charges for example new charges or changes to current charges that are not part of the budget policy framework will be delegated to decision by Cabinet.

4.10. Market review

4.11. Market intelligence is information that is gathered for the purpose of making business decisions, market research is the systematic gathering, recording, analysis and interpretation of information about markets, competitors and customers.

4.12. Heads of service and managers need to use market intelligence and research information to look at trends, competitor pricing and customer (existing, lost and targeted) monitoring to inform reviews and setting of fees and charges. Market information can be gathered and analysed specifically for accurate and confident decision-making in determining new or updated fees and charges.

4.13. As part of the annual review, market conditions must be taken into account including competition and demand for the service.

4.14. Periodic review

4.15. Decisions to charge or not to charge will be reviewed by services annually, with sufficient time for any impact of any revisions to be reflected in the annual financial planning process. All charges are expected to be increased in line with the policy unless there are exceptional reasons not to do so.

4.16. Heads of services are expected to undertake a regular review to ensure and provide assurance that all costs are being recovered. Charges must be reviewed during the year if there are any significant changes, such as cost, market changes, demand, service levels or new service provisions provided which materially affect the current charges and cost

recovery. The guidance in the ANNEX should be used to record the outcome of any periodic in- depth reviews. In-depth reviews will be required where there is evidence that the current fees and charges are below comparable benchmarks or where there is evidence confirming that a subsidy is being provided.

5. Governance

5.1. Recording of fees and charges

- 5.2. The Council's fees and charges are set annually, prior to the start of the financial year and published once approved. Users of discretionary services must be made aware of any changes prior to using services, this may be achieved by publishing information alongside service information on the Councils website. Where there is a statutory period of publication of notification of changes to charges or consultation, the setting of the new charges will need to take account of this timescale ahead of the new charges coming into force.
- 5.3. Services are expected to maintain a schedule of fees and charges levied and advertise these accordingly. These schedules should include charges that are set nationally, the date of the last in-depth review and any relevant committee decision to provide a subsidy or concession.
- 5.4. Any new fees and charges which are introduced or changed must be in line with the policy. Any changes outside of the policy will lead to a review of the service and a report to members for approval.
- 5.5. Heads of services are responsible for ensuring that the fees and charges within their area of responsibility comply with the policy, ensuring that the policy is applied to all discretionary services and not just those for which a charge is currently made.
- 5.6. When considering any subsidy for charging or approval of fees outside of the policy, the following should be considered:
 - 5.6.1. That the subsidy supports a corporate priority, objective or policy
 - 5.6.2. That it is reasonable to assume that the impact of the policy can be measured
 - 5.6.3. The cost of the subsidy can be estimated and is affordable to the budget
 - 5.6.4. The proposed subsidy is the most effective approach to deliver the policy objective
 - 5.6.5. Any other relevant information
- 5.7. Where fees and charges are set at a level that provides a subsidy to the service and this falls outside of the policy, these require consideration by Cabinet ahead of approval by Council.

ANNEX

Guidance for New Fees and Charges

Charging Policy – The charging policy for the service/fee must be stated and an explanation of why this is being proposed (for example cost recovery, subsidised or nominal as defined in the policy).

Comparative Information – Consider comparative charges levied by other local authorities and include comparatives where applicable.

Financial -:

Proposed new level of charges

Implementation date for the new charges to the commence

Income – Expected net income to be generated by the new charge (per annum)

Costs – Estimated costs of supplying the service including all administrative and overhead costs, one off or ongoing.

Subsidy – Whether any subsidy is to be provided

Concessions – The type and amount (if any) of any proposed concessions (subject to approval)

Impact Assessment - Identify the likely impact on service users including this that currently benefit for the service, the effects of the changes proposed and the impact of any proposed subsidies or concessions. Equality issues must be specifically considered and reported.

Service Impact - Any consequences that the introduction of fees and charges have on other council services must be taken into account.

Collection Method - Proposals for new charges (or the periodic in-depth review of existing charges) must identify what collection methods will be used, this should be in accordance with the policy, for example where cashless systems of payment methods can be implemented.

Consultation – Where necessary include a summary of the consultation conducted and the results of the consultation including any adjustments that have been made as a result or the consultation.