

PROPOSED FEES AND CHARGES POLICY

1. GENERAL POLICY

- 1.1 Raising income from charges for services is an important element of the overall financing of the Council's services and activities. In addition, fees and charges can play an important role in other areas such as:
- Demonstrating the value of a service
 - Discouraging abuse of a service
 - Strengthening service and corporate objectives
 - Promoting and encouraging access to services
- 1.2 Therefore, consideration is given on a regular basis to the scope of raising revenue through charges for services and to reviewing the appropriateness and adequacy of the levels of charges being proposed or actually in force. This is undertaken within the Council's service and financial planning framework.
- 1.3 It is also undertaken in accordance with the Council's Constitution (Financial Procedural Rules). These put the responsibility with service managers, in conjunction with the Head of Finance, for recommending the level of existing or new charges, to the appropriate policy committee.
- 1.4 Any financial implications over and above that already budgeted are subject to ratification by the Finance and Management Committee.
- 1.5 In establishing new charges, the basis and extent of any discounts or concessions, or considering changes to existing charges, service managers should have regard to the advice and guidance set out in the following sections.

Annual Review

- 1.6 In reviewing existing charges, there is a general presumption that the budgets for income generated, should rise each year in line with the appropriate rate of inflation. This rate is determined prior to the annual budget round.
- 1.7 However, this does not mean that the charges need to increase by this rate if it will have a detrimental effect on overall income. Due regard is made for demand and any competitive element.

Flexibility

- 1.8 In isolated circumstances, experience suggests that a particular charge may need to be changed in response to a "special case." For example, where altering that charge will maintain service provision or generate more activity for the Council.
- 1.9 In these cases, the charge can be changed by the service manager after consultation with the Head of Finance, the relevant Director and Chairman of the policy committee concerned.

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Generating Additional Income

- 1.10 In accordance with Financial Procedural Rules, any additional income over that budgeted (up to a maximum of £10,000) is available for reinvestment in that particular service area. This is primarily to encourage income generation and to recognise where demand may be increasing
- 1.11 Any additional income above the maximum of £10,000 is considered a corporate resource to be used in accordance with the Council's overall priorities.

2. NEW FEES and CHARGES

- 2.1 Proposals for new fees and charges or major changes to existing ones should be analysed using the template in **Appendix 1**. This effectively provides a brief rationale and business case for the proposed charge.
- 2.2 Reasonable notice should be given to service users before any new charge is implemented. Clear advice should be given on VAT, together with any discounts or concessions available.
- 2.3 The effects of any new charge on service usage and income generated should be monitored regularly over the first year and reviewed within the service and financial planning framework.

3. CHARGING POLICY

- 3.1 Generally, the Council's policy is to optimise income wherever possible from its fees and charges, by adopting competitive price levels. However, the Council will also adopt other approaches to charge setting, taking into account other factors to meet certain policy objectives, such as:
 - Promoting equality of access to services by offering discounts
 - To promote certain behaviours
 - To manage demand for a service
 - To pay for service improvements
- 3.2 When setting or reviewing fees and charges, it is important to understand the basis on which the charge is set. Consequently, each charge should be identified to one of the categories in the table below, and the appropriate charging policy adopted in establishing and reviewing price levels.
- 3.3 In all cases, in determining an appropriate charging policy, proper consideration should be given to equality and fairness implications which may be involved affecting full accessibility of all groups to the Council's services.

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Charging Category	To meet Policy Objective
Competitive/Commercial Charge	The Council seeks to maximise revenue to the extent that it may generate a surplus and a contribution to central overheads.
Competitive/Commercial Charge, with Discounts	As above, but with discounted concessions being given to enable disadvantaged groups to access the service.
Fair Charge	The Council seeks to maximise income but subject to some constraint. For example, a commercial rate may not be available or the Council is a monopoly provider. In addition, the Council may want to provide a commitment to price within a certain fee structure.
Cost Recovery	The Council seeks to make the service generally available, but wishes for the costs to be covered.
Cost Recovery with Discounts	As above, but the Council is prepared to subsidise the service to ensure disadvantaged groups have access to it.
Subsidised	The Council seeks to make the service widely available, but feels that users of the service should make some contribution.
Nominal	The Council seeks to make the service fully available, but sets a charge to discourage frivolous usage.
Free	The Council seeks to purely make the service fully available.
Statutory	Charges are set in line with legal obligations.

3.4 In applying the appropriate charging criteria as set out in the above table, the issues which should be considered in setting the fee level for any particular service, are detailed in the following table.

Charging Category	Possible Points for Consideration
Competitive/Commercial Charge	<ul style="list-style-type: none"> • Are the charges high enough to generate a surplus • What are competitors charging • Are there opportunities to charge a premium or a discount in order to achieve greater market share • How does the pricing structure fit in with the long term service plan

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Fair Charge	<ul style="list-style-type: none"> • How do prices compare with other providers of similar services • What is the loss of income by not charging on a competitive basis • What are the policy constraints and are they still appropriate
Cost Recovery	<ul style="list-style-type: none"> • Do the costs include overheads, cost of collection and any capital charges • What is the loss of income by not charging on a competitive basis • How is this policy affecting demand for the service
Subsidised	<ul style="list-style-type: none"> • Is the cost of subsidy properly evaluated and reported • How is demand affected by different rates of subsidy
Nominal	<ul style="list-style-type: none"> • Are the circumstances for only applying a nominal charge clear, e.g., policy objective • Are these services funded in other ways
Free	<ul style="list-style-type: none"> • Is this approach legally required • Is there evidence of frivolous use
Statutory	<ul style="list-style-type: none"> • Are charges in line with requirements • Are charges set at the maximum permitted level

4. DISCOUNTS and CONCESSIONS

4.1 In some circumstances, it may be appropriate to consider offering discounts or concessions in relation to particular activities or user groups. Where possible, this should be consistent with the wider objectives and priorities of the Council.

4.2 Specific points that should be considered when establishing or reviewing the level of any concession offered for a particular service include:

- What is the benefit to local residents?
- Will a concessionary policy encourage increased take-up amongst equalities groups?
- What evidence suggests that the discount policy is successful in benefiting any targeted groups?

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- 4.3 It is recognised that in some circumstances discounts may not be appropriate. In all cases, it will be necessary to consider carefully, the impact on income, before introducing or amending a discount policy.

5. REVIEWING FEES and CHARGES

- 5.1 All services should consider charging policies and current levels of fees during the annual budget round. As indicated earlier, the presumption is that the value of non-statutory fees and charges will be maintained in real terms over time and increased annually in line with inflation.

- 5.2 However, this will be subject to:

- There being no detrimental impact on demand and overall income, or
- That it does not contravene an agreed charging Policy.

- 5.3 As highlighted earlier, any proposal to introduce a new charge or significantly amend an existing one, should be subject to some justification process. In order to do this, services should put forward their case using the template in **Appendix 1**.

- 5.4 This ensures that all relevant issues are considered in order for an informed decision to be made.

- 5.5 If there are any significant changes during the year due to costs or demand, etc. which materially affect charges and overall income, then the charge should be reviewed and any proposed change reported to the appropriate policy committee.

6. ADMINISTRATION OF FEES and CHARGES

- 6.1 The basis principles of administering fees and charges are:

- They should be easy to understand and administer
- They should be well promoted to users
- Payment methods should be flexible and convenient for different users
- Collection should be in advance or at point of delivery

7. PUBLICATION OF APPROVED CHARGES

- 7.1 The Council's fees and charges are set prior to each financial year. They are widely published including the Council's website, and consist of a schedule of charges across each service area.

PROPOSED FEES AND CHARGES POLICY**Freedom of Information**

- 7.2 In accordance with the Council's Publication Scheme, a charge is made for information that is contained in the fees and charges schedule. However, no charge is made for information not contained but which is readily available.
- 7.3 If expenses such as photocopying are more than £10 or staff costs are more than £450, these costs are chargeable. This is in accordance with regulations made under Freedom of Information.

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TEMPLATE FOR NEW or REVIEW OF FEES and CHARGES

DESCRIPTION OF CHARGE

CHARGING POLICY

This should relate to one of the categories set out in Section 3 of the Policy. It should explain fully why this policy is being adopted.

COMPARATIVE INFORMATION

How does the Council compare with other authorities and competitors (if applicable)?

FINANCIAL INFORMATION

Information Required	Description
Level of Charge (excluding VAT)	Recommended or proposed new level
VAT Status	Rate and code reference (as advised by the Head of Finance)
Degree of Change	In percentage terms, compared to the existing one (if appropriate)
Start Date	Proposed implementation date or phased introduction if this is a consideration
Total Income Generated	Both current amount and that projected (based on best estimate) after introduction of new/change in fee level
Surplus or Deficit	This should be calculated after taking into account all relevant costs including overheads and capital charges

IMPACT ASSESSMENT ON USERS

Who are the main users/customers, who benefits and the effect of proposed changes; likely effect on demand and usage. Specifically highlight equality and access issues.

PROPOSED FEES AND CHARGES POLICY**IMPACT ON OTHER SERVICE AREAS**

If applicable – any knock-on effects likely.

COLLECTION METHOD

How, why, estimated costs; how flexible and convenient is it for each type of user/customer
If collection is not in advance or at point of service delivery – why not?

ALTERNATIVES

Is charging the only option? Could efficiencies be made on costs, is grant or other types of funding (e.g. sponsorship) available?

CONSULTATION

Include details of how, who and appropriate feedback