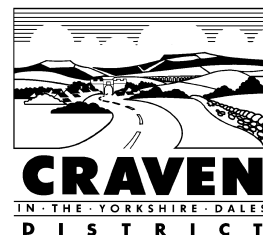


# Policy Committee – 3 November 2015

## Fees and Charges Policy



Ward(s) affected: All

Report of the Strategic Manager, Financial Services (Section 151 Officer)

### 1. Purpose of Report

To present the updated Fees and Charges Policy for approval.

### 2. Recommendations - Members are recommended to:

2.1. Approve the updated Fees and Charges Policy as set out in Appendix A.

### 3. The Council’s Approach to Charging

3.1. In its national report “Positively Charged – Maximising the Benefits of Local Public Service Charges” (January 2008), the Audit Commission identified the importance of charging for local services to council finances.

3.2. The Council currently levies fees and charges on a range of items, which raise around £5million in revenue each year. The charges applied are statutory charges prescribed by Government, or discretionary charges set by the Council.

3.3. The Council’s current Fees and Charges Policy was reviewed in the 2014/15 financial year and approved by Policy Committee on 17<sup>th</sup> November 2014.

3.4. In light of current budget pressures and the economic climate a further review of the Policy has now taken place.

### 4. Revised Policies

4.1. Section 3 of the Policy sets out the revised policy objectives in relation to fees and charges as follows:

CHARGING POLICY	POLICY OBJECTIVE	KEY CONSIDERATIONS WHEN DETERMINING CHARGES
Full commercial	The Council will seek to maximise revenue within an overall objective of generating as large a surplus (or a minimum loss).	<ul style="list-style-type: none"> <li>• Are the charges high enough for the service to be in surplus?</li> <li>If not, consider whether the service should be provided.</li> <li>• Are competitors charging similar prices?</li> <li>• Does the council offer any premium in terms of service levels that customers would be prepared to pay more for?</li> <li>• How would changes in pricing structures affect demand for the service and potentially its profitability?</li> <li>• How does the proposed fee structure fit in with the long-term business plan for the service?</li> </ul>
Full commercial with discounts	As above, but with discounted concessions being given to enable disadvantaged groups to access the service.  Concession rates may to set to apply to groups such as local voluntary, community and charitable groups , under 16s and persons of pensionable age	

CHARGING POLICY	POLICY OBJECTIVE	KEY CONSIDERATIONS WHEN DETERMINING CHARGES
Fair charging	The Council will seek to maximise income but subject to a defined policy constraint. This could include a commitment made to potential customers on an appropriate fee structure. Alternatively, a full commercial rate may not be determinable or the Council may be the only supplier of such services.	<ul style="list-style-type: none"> <li>• How do the charges compare to other providers of similar services?</li> <li>• Has the loss of income from not charging on a commercial basis been evaluated?</li> <li>• Is the policy constraint justifying this charging policy still valid?</li> </ul>
Cost recovery	<p>The Council wishes to make the service generally available, but does not believe the service should be subsidised from public money.</p> <p>This would always apply to following areas of service delivery as the Council cannot recover more than the cost of providing the:</p> <ul style="list-style-type: none"> <li>• Building Control (Fee Earning Activities)</li> <li>• Hackney Carriage (Taxi) Licensing</li> <li>• Land Charges</li> </ul>	<ul style="list-style-type: none"> <li>• Do charges recover the full costs, including overheads, capital charges and recharges?</li> <li>• Is it possible to charge on a full commercial basis and if so has the loss of income from not charging on a full commercial basis been evaluated?</li> <li>• What is the impact on demand for this service from this charging policy?</li> </ul>
Cost recovery with discounts	As above, but the Council is prepared to subsidise the service to ensure disadvantaged groups have access to the service.	
Subsidised	<p>The Council wishes to make the service widely accessible, but believes users of the service should make an additional direct contribution.</p> <p>or</p> <p>The Council wishes to limit any adverse impacts that a cost recovery or commercial charging policy would have on other council services.</p> <p>or</p> <p>The council wishes the service to be fully available, but wishes to set a nominal charge to discourage frivolous usage.</p>	<ul style="list-style-type: none"> <li>• Has the cost of the subsidy been evaluated?</li> <li>• What has been the impact on demand and on service levels from adopting this approach?</li> <li>• Does this approach fit in with the requirements of other funding streams i.e. grants?</li> <li>• Is this approach legally required?</li> <li>• Is there a problem of frivolous use of the service?</li> </ul>
Free	<p>The Council wishes to make the service fully available.</p> <p>or</p> <p>The Council cannot legally apply any fee or charge e.g. in relation to housing and homelessness advice, and listed building consent</p>	
Statutory	<p>The Council will set charges in line with legal obligations</p> <p>These include:</p> <ul style="list-style-type: none"> <li>• Charges in relation to Data Protection Act</li> <li>• Charges in relation to the Freedom of Information Act</li> <li>• Register of Electors sales</li> <li>• Development Control – Planning Applications</li> <li>• Housing Benefit Overpayment Penalties</li> <li>• Liquor and Gambling Licensing Fees</li> <li>• Local Air Pollution Control Licence Charges</li> <li>• Personal Search element for Local Land Charges</li> <li>• Private Water Supply Sampling Charges</li> </ul>	<ul style="list-style-type: none"> <li>• Are charges in line with statutory requirements?</li> <li>• Are they set at the maximum permitted levels?</li> </ul>

4.2. Section 4.1 of the revised Policy stipulates the following

- Service managers must consider policies and current levels of charges each year as part of the annual service and financial planning process.
- The presumption is that the value of fees and charges will be maintained in real terms over time and increased annually in line with inflation as set within the service or financial planning process.

**5. Approval of Discretionary Fees and Charges**

5.1. The revised Policy provides for the following :

1.	<p>The Council's Policy Committee will be responsible for approving fees and charges in relation to core policy areas on an annual basis in November/December as part of the Council's budget setting process.</p> <ul style="list-style-type: none"> <li>• Burial and Cremation Fees (ancillary service charges related to Bereavement Services with be set in conjunction with point 2 below)</li> <li>• Garden Waste Collection</li> <li>• Trade Waste Collection</li> </ul> <p>The charges approved will apply from the start of the following financial year, unless otherwise agreed.</p> <p>Proposals for additional in year amendments to existing charges may be taken to Policy Committee for approval as required on an exception basis.</p>
2.	<p>To allow for flexibility and responsiveness in the Council's approach to budget setting and income generation, discretionary fees and charges not related to the policy areas set out in 4.1 above, will be set under delegated authority by the Council's Corporate Leadership Team in consultation with the relevant Lead Member. This is to ensure responsiveness to the following circumstances particularly:</p> <ul style="list-style-type: none"> <li>• unanticipated increased costs placed upon the Council,</li> <li>• where amendments are required to fees and charges due to legislative changes;</li> <li>• where services wish to introduce new products or services which are subject to a charge and considered minor additions to service provision, for example new classes at Craven Pool or new memorials at bereavement services.</li> </ul>
3.	<p>The Council's Policy Committee will be responsible for approving new discretionary fees and charges where the proposed introduction would be considered significant departures from existing fees and charges.</p>
4	<p>The Council's Policy Committee will be responsible for approving changes to existing fees and charges where increases significantly above the policy outlined in section 4.1 are proposed.</p>
5.	<p>The Council's Licensing Committee shall be responsible for approving discretionary fees and charges in relation to Licensing and Hackney Carriage Fees.</p>

5.2. Members are recommended to approve the updated policy in relation to Fees and Charges as set out in Appendix A.

## 6. Implications

### 6.1. **Financial and Value for Money (vfm) Implications**

Impacts of proposed increases to fees and charges will be included in relevant budgets, as appropriate, as part of the budget setting process.

### 6.2. **Legal Implications**

There is a variety of legislation enabling the Council to apply charges for the services covered by this report. Legislative powers in relation to charging for discretionary services are primarily contained within the Local Government Act 2003.

### 6.3. **Contribution to Council Priorities**

Income generation contributes to a cost-effective Council and assists the Council in the delivery of its priorities notably Financial Resilience.

### 6.4. **Risk Management**

There is a significant risk to the 2015/16 revenue budget if the proposed fees are not approved. In that event, further savings will have to be identified to balance the budget.

### 6.5. **Equality Impact Assessment**

The Council's Equality Impact Assessment Procedure **has been** followed. An Equality Impact Assessment **has not** been completed on the proposals as completion of **Stage 1- Initial Screening** of the Procedure identified that the proposed policy, strategy, procedure or function **does not have** the potential to cause negative impact or discriminate against different groups in the community based on •age • disability •gender • race/ethnicity • religion or religious belief (faith) •sexual orientation, or • rural isolation.

## 7. Consultations with Others

Corporate Leadership Team (CLT)

Service Managers

## 8. Access to Information: Background Documents

Not applicable

## 9. Author of the Report

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## 10. Appendices

Appendix A – Fees and Charges Policy



# **Craven District Council**

## **Fees and Charges Policy**

**Approval: Policy Committee - 3 November 2015**

## **1. Introduction**

1.1. This policy sets out the Council's approach to setting fees and charges for the range of services it provides.

## **2. Legislative Background**

2.1. The legislation surrounding fees and charges is a complex area, with varying stipulations dependent on the service under consideration.

2.2. The overall position on charging may be summarised as follows:

- The Council must not charge for a service if legislation so stipulates.
- The Council must charge for a service if legislation so provides.
- There is a further range of services where specific legislation provisions allow the Council to decide whether to charge and how much.
- There is further range of discretionary services supported by legislation where there are no legislative provisions on charging, in such circumstances the Council may use its charging powers for discretionary services under the Local Government Act 2003.
- The new general power of competence under the Localism Act 2011 may be exercised 'for a commercial purpose or otherwise for a charge, or without charge.' If exercised for a non-commercial purpose, a new general competence charging power is potentially available. However, these powers are only available if Local Government Act 2003 charging powers for discretionary services do not apply. Restrictions on non-commercial general competence charging apply. Essentially the Council may not recover more than the cost of providing that kind of service, taking one financial year with another.
- The rules on charging for discretionary services under the Local Government Act 2003 and those under the non-commercial use of the general competence (Localism Act 2011) are broadly similar. However, the provision on charging for discretionary services are more detailed and statutory guidance has been issued on their use.
- Statutory guidance on charging for discretionary services under Local Government Act 2003 allows that a local authority must use a robust methodology to assess the cost of providing each discretionary service, but authorities are free to decide what methodology they wish to adopt.
- The Local Government Act 2003 does not specify a period over which charges should be calculated, this is matter of discretion for the Council. Statutory guidance suggests authorities may initially find it useful to consider assessing the charge over a period of not less than one year and no more than 3 years. This would be the Council's generally preferred approach.

### 3. The Council’s Charging Policies

- 3.1. The Council will levy fees and charges on a range of services and items. The charges applied will fall into the charging policies set out below.
- 3.2. When determining an appropriate charging policy, proper consideration will be given to the wider equality implications to ensure accessibility of Council services.

CHARGING POLICY	POLICY OBJECTIVE	KEY CONSIDERATIONS WHEN DETERMINING CHARGES
Full commercial	The Council will seek to maximise revenue within an overall objective of generating as large a surplus (or a minimum loss).	<ul style="list-style-type: none"> <li>• Are the charges high enough for the service to be in surplus? If not, consider whether the service should be provided.</li> <li>• Are competitors charging similar prices?</li> <li>• Does the council offer any premium in terms of service levels that customers would be prepared to pay more for?</li> <li>• How would changes in pricing structures affect demand for the service and potentially its ability to generate a surplus?</li> <li>• How does the proposed fee structure fit in with the long-term business plan for the service?</li> </ul>
Full commercial with discounts	<p>As above, but with discounted concessions being given to enable disadvantaged groups to access the service.</p> <p>Concession rates may to set to apply to groups such as local voluntary, community and charitable groups , under 16s and persons of pensionable age</p>	
Fair charging	The Council will seek to maximise income but subject to a defined policy constraint. This could include a commitment made to potential customers on an appropriate fee structure. Alternatively, a full commercial rate may not be determinable or the Council may be the only supplier of such services.	<ul style="list-style-type: none"> <li>• How do the charges compare to other providers of similar services?</li> <li>• Has the loss of income from not charging on a commercial basis been evaluated?</li> <li>• Is the policy constraint justifying this charging policy still valid?</li> </ul>
Cost recovery	<p>The Council wishes to make the service generally available, but does not believe the service should be subsidised from public money.</p> <p>This would always apply to following areas of service delivery as the Council cannot recover more than the cost of providing the:</p> <ul style="list-style-type: none"> <li>• Building Control (Fee Earning Activities)</li> <li>• Hackney Carriage (Taxi) Licensing</li> <li>• Land Charges</li> </ul>	<ul style="list-style-type: none"> <li>• Do charges recover the full costs, including overheads, capital charges and recharges?</li> <li>• Is it possible to charge on a full commercial basis and if so has the loss of income from not charging on a full commercial basis been evaluated?</li> <li>• What is the impact on demand for this service from this charging policy?</li> </ul>
Cost recovery with discounts	As above, but the Council is prepared to subsidise the service to ensure disadvantaged groups have access to the service.	

<b>CHARGING POLICY</b>	<b>POLICY OBJECTIVE</b>	<b>KEY CONSIDERATIONS WHEN DETERMINING CHARGES</b>
Subsidised	<p>The Council wishes to make the service widely accessible, but believes users of the service should make an additional direct contribution.</p> <p>or</p> <p>The Council wishes to limit any adverse impacts that a cost recovery or commercial charging policy would have on other council services.</p> <p>or</p> <p>The council wishes the service to be fully available, but wishes to set a nominal charge to discourage frivolous usage.</p>	<ul style="list-style-type: none"> <li>• Has the cost of the subsidy been evaluated?</li> <li>• What has been the impact on demand and on service levels from adopting this approach?</li> <li>• Does this approach fit in with the requirements of other funding streams i.e. grants?</li> <li>• Is this approach legally required?</li> <li>• Is there a problem of frivolous use of the service?</li> </ul>
Free	<p>The Council wishes to make the service fully available.</p> <p>or</p> <p>The Council cannot legally apply any fee or charge e.g. in relation to housing and homelessness advice, and listed building consent</p>	
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#### **4. Reviewing Fees and Charge**

- 4.1. Policies applied and the levels of charges applied across Council services will be reviewed as part of service and financial planning processes.
- 4.2. The presumption is that the value of fees and charges will be maintained in real terms over time and increased annually in line with inflation as set within the service or financial planning process.

#### **5. Approval of Discretionary Fees and Charges**

- 5.1. The Council's Policy Committee will be responsible for approving fees and charges in relation to the following core policy areas on an annual basis in November/December as part of the Council's budget setting process.
  - Burial and Cremation Fees (ancillary service charges related to Bereavement Services with be set in conjunction with 4.2 above)
  - Car Parking
  - Garden Waste Collection
  - Trade Waste Collection

The charges approved will apply from the start of the following financial year, unless otherwise agreed. Proposals for additional in year amendments to existing charges may be taken to Policy Committee for approval as required on an exception basis.

- 5.2. To allow for flexibility and responsiveness in the Council's approach to budget setting and income generation, discretionary fees and charges not related to the policy areas set out in 4.1 above, will be set under delegated authority by the Council's Corporate Leadership Team in consultation with the relevant Lead Member. This is to ensure responsiveness to the following circumstances particularly:
  - unanticipated increased costs placed upon the Council,
  - where amendments are required to fees and charges due to legislative changes;
  - where services wish to introduce new products or services which are subject to a charge and considered minor additions to service provision, for example new classes at Craven Pool or new memorials at bereavement services.
- 5.3. The Council's Policy Committee will be responsible for approving new discretionary fees and charges where the proposed introduction would be considered significant departures from existing fees and charges.
- 5.4. The Council's Policy Committee will be responsible for approving changes to existing fees and charges where increases significantly above the policy outlined in section 4.1 are proposed.
- 5.5. The Council's Licensing Committee shall be responsible for approving discretionary fees and charges in relation to Licensing and Hackney Carriage Fees.

#### **6. Surplus Income from Fees and Charges**

- 6.1. The Council will ensure that any surplus income shall be used in support of the Council's General Fund Revenue Account and the Medium Term Financial Strategy.



If you would like this information in a way which is better for you, please telephone 01756 700600.

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