

REPORT TO RESOURCES PDG

REPORT OF: HEAD OF FINANCE

REPORT NO: HOF203

DATE: 2 AUGUST 2012

TITLE:	Fees & Charges Strategy - Draft	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	N/A	
PORTFOLIO HOLDER: NAME AND DESIGNATION:	Councillor Mike Taylor Well Run Council Portfolio Holder	
CONTACT OFFICER:	Richard Wyles – Head of Finance 01476 406210 Email: r.wyles@southkesteven.gov.uk	
INITIAL IMPACT ANALYSIS:	Carried out and Referred to in paragraph (7) below:	Full impact assessment Required: this will be undertaken as part of the implementation of fees and charges
Equality and Diversity	N/A	
FREEDOM OF INFORMATION ACT:	This report is publicly available via the Your Council and Democracy link on the Council's website: www.southkesteven.gov.uk	
BACKGROUND PAPERS:	HOF199	

1. RECOMMENDATION

1.1 Members are asked to review the draft fees and charges strategy and recommend its approval by Cabinet.

2. PURPOSE OF THE REPORT

2.1 Resources PDG has been developing a coherent charging strategy that complements and supports the Council in its delivery of its priority themes and underpins the medium term financial plan.

2.2 Resources PDG has reviewed fees and charges as a key element of their workplan and commissioned Deloitte to undertake an income review benchmarking study which compared fees and charges across a number of East Midlands councils. This review has also given exposure to over 50 local

authorities' charging regimes outside of the geographical boundaries of the East Midlands.

3. DETAILS OF REPORT

3.1 The draft fees and charges strategy is appended to this report and its format and content reflect the work the Resources PDG has undertaken. The strategy establishes a number of key principles that the setting of fees should follow and adopt in order to provide a consistent and coherent approach to the process. The main headings of the framework are:

3.2 Approaches to fees and charges setting:

- A clear corporate charging policy
- Clarity over full cost or subsidy level (defined as £ per head)
- A perspective on fairness in charging
- Adopting a more commercial approach to fee setting

3.3 Proposed framework for charging

- Recovery of cost
- Concessions for certain service users
- Identifying new opportunities for charging
- Contribution to corporate priorities
- Annual review of charges

3.4 Charging is not primarily concerned with raising revenue but identifying and influencing behaviours to help the Council achieve its priority outcomes. Strategies should consider service users and their motivation for using the service and their ability to pay.

3.5 When making local charging decisions, the following considerations were highlighted as a guide that could support councillors:

- How could the charges be used as a policy driver in the key areas?
- What customer group(s) does charging policy affect?
- Does / should ability to pay be a factor in setting the charge?
- Could / should the Authority incentivise different payment methods (e.g. discounts for direct debit customers)?
- Does the Council want to offer a concession rate to certain user groups in order to meet its priority outcomes?
- What unintended consequences could lowering or raising the charges have?
- Who are the main beneficiaries of the service and who therefore is responsible for paying for the service (service user or general tax payer)?

3.6 These questions form the basis of the fees and charges fee setting template that will be completed by each service area on an annual basis as an integral part of the budget setting process.

- 3.7 Members reviewed the draft strategy at their previous meeting on 31 May 2012 and put forward a number of suggestions and proposals that have been incorporated into the updated strategy.
- 3.8 In addition, the Members were asked to consider the approach to applying concessions to certain categories of charges. The draft strategy includes the following definition of a concession and the category types where a concession could be introduced.

Concessions for certain service users

- 3.9 Decisions to exempt a particular service from the full cost recovery requirement may be taken by the Council: –
 - To support a particular group or group of users in support of achieving its corporate objectives
 - Where it would be impractical to introduce charging (e.g. public access to parks)
 - Where charging would not be cost effective
 - To users on low incomes. This will normally be defined as those in receipt of housing or council tax benefit, pension credit or working tax credit
- 3.10 As part of the budget setting process, Members will need to consider the use of concessions across the Council’s fees and charges and may introduce changes to the current concessions following this review.
- 3.11 The strategy introduces and develops a broader framework with which the fees and charges setting process will comply. As part of the workplan for 2012/13, the PDG will continue the work in respect of charges as part of the 2013/14 budget setting and will undertake a review to ensure charges are set in accordance with the principles of the strategy.

4. OTHER OPTIONS CONSIDERED

- 4.1 It is appropriate to introduce a fees and charges strategy in order to maximise the opportunities for the Authority to deliver its priorities.

5. RESOURCE IMPLICATIONS

- 5.1 There are no direct resource implications arising from this report.

6. RISK AND MITIGATION

- 6.1 Risk has been considered as part of this report and any specific high risks are included in the table below:

Category Risk	Action / Controls
Statutory risk	Fees and charges will be set in accordance with any prevailing statutory legislation that may be relevant

7. ISSUES ARISING FROM IMPACT ANALYSIS

7.1 None applicable

8. CRIME AND DISORDER IMPLICATIONS

8.1 None applicable

9. COMMENTS OF FINANCIAL SERVICES

9.1 Financial considerations are included in the report.

10. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

10.1 The Council has the power to charge for the delivery of discretionary services in accordance with s.93 of the Local Government Act 2003. The power to charge is available provided the income received does not exceed the cost of the provision of the service.

APPENDIX: Appendix A – Draft 2012 Fees & Charges Strategy