

REPORT TO CABINET

REPORT OF: HEAD OF FINANCE

REPORT NO: HOF206

DATE: 1st OCTOBER 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 individual 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, HOF203	

1. RECOMMENDATION

Members are asked to approve the draft fees and charges strategy and to incorporate it's use in the medium term financial planning of the Council.

2. PURPOSE OF THE REPORT

Officers and members of the Resources PDG has been developing a coherent charging strategy that compliments and supports the Council in its delivery of it's priority themes and underpins the medium term financial plan.

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

The draft fees and charges strategy is appended to this report and its format and content reflects the work that has been 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:

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

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

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.

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 it priority outcome?
- 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)?

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.

Proposed approach to fees and charges setting

Fees and charges workshops have been held with officers of the Council and a detailed approach to fees and charges has been established for the budget setting process. This work includes the review of existing charges and proposals to consider charges for areas that do not currently attract a charge to the user. The proposals of these will be presented to Cabinet as part of the 2013/14 budget setting.

4. OTHER OPTIONS CONSIDERED

It is appropriate to introduce a fees and charges strategy in order to maximise the opportunities for the Authority to deliver it's priorities.

5. RESOURCE IMPLICATIONS

There are no direct resource implications arising from this report.

6. RISK AND MITIGATION

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

None applicable

8. CRIME AND DISORDER IMPLICATIONS

None applicable

9. COMMENTS OF FINANCIAL SERVICES

Financial considerations are included in the report.

10. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

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.

11. APPENDIX: Appendix A – Draft 2012 Fees & Charges Strategy