



# **Fees and Charges Policy: 2020/21 to 2024/25**

## **1 Introduction and Background**

- 1.1 Fees and Charges are an important source of income, providing funds to assist achieving the corporate objectives of Great Yarmouth 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 The overriding aim of this charging policy is to maximise income generation and collection to enhance the social and economic wellbeing of the community the Council serves. 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.
- 1.3 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.
- 1.4 This policy sets out a framework for Great Yarmouth Council, within which fees and charges levied by the council are agreed and regularly reviewed.
- 1.5 This policy provides a framework on:
  - Cost delivery, recovery and generating income
  - Setting new charges, consultations and notification of new fees
  - Reviewing of existing charges
- 1.6 This policy does not apply to services provided on a commercial basis, for example property rentals including commercial rents, which are undertaken in accordance with different legislative provisions.
- 1.7 This policy will not cover housing rental income or related tenant service charges, as these are undertaken separately in accordance with different legislation provisions and detailed in the housing finance budget setting report.
- 1.8 The policy will be reviewed every four years or as required following legislative changes.
- 1.9 Fees and Charges set within the framework will be reported to Policy and Resources and only to Council when fees are set outside of the policy.

## **2 Legislation**

- 2.1 Discretionary services are those which an authority has the power to but is not obliged to provide. Section 3 of the Localism Act 2011 allows authorities to charge for discretionary services offered under their general power of competence, alongside the powers already available to local authorities to charge for discretionary services in function related areas, under Section 93 of the local government Act 2003. Authorities cannot charge for services that they have a statutory duty to provide unless relevant legislation permits charging (refer to 2.6 also).
- 2.2 Additions or enhancements to mandatory services above the standard an authority has a duty to provide may be provided as discretionary services.
- 2.3 The Act introduced some key points to follow:
  - The recipient of the discretionary service must have agreed to its provision and agreed to pay for it
  - Charges may be set differently, so that different people are charged different amounts.
- 2.4 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 (1-3 years), any under recovery can be addressed in setting charges for future years, so that over time income equates to costs.
- 2.5 Legislation refers to CIPFA's definition of total cost. This allows for the recovery of all costs in the organisation, including a proportion or all central and unallocated overheads including democratic costs, depreciation, interest, pension back funding and working capital costs.
- 2.6 Some services are bound by further specific legislation and setting of such fees should refer to the relevant legislation.

## **3 Managers Guidance**

- 3.1 The policy has been written 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:
  - Establishing parameters for calculating different levels of charges
  - Recommending criteria for applying concessions or discounted charges consistently across the council.
  - Providing guidance on the factors that need to be taken in consideration when new charges are introduced, or existing charges are being reviewed
  - Requiring more active use of market intelligence when setting charges
  - Specifying the process and frequency for reviewing existing charges

## 4 Policy

4.1 The general principles of the policy are:

***Fees and charges for services are set to seek to cover the cost of delivery and increases are applied annually of RPI plus up to 2%.***

4.2 Each charge should be identified as belonging to one category in Table 1 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.

**Table 1 – Category of charges**

Type	Objective
<b>A) Full cost recovery</b>	Service is generally available with no rationale for providing a subsidy from general taxation
<b>B) Full cost recovery with concession discounts</b>	Service is generally available and subsidised to ensure disadvantaged groups have access to the service. Concessions are only for those services that seek to improve health and well being within the borough.
<b>C) Statutory</b>	Charges are set in line with legal obligations and national government charging policy.

### 4.3 Cost Recovery

4.4 Adopting a method of full recovery includes the cost of handling the initial enquiry through to the collection of the payment. These costs include employment, department, corporate and financial costs. The policy of RPI plus up to 2% allows for flexibility for annual increases, for example in one year, fees for one service could be increased by RPI alone and for another RPI plus 2%.

### 4.5 Review of new and existing fees and charges

4.6 As part of the annual budget cycle each department 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 RPI (only) up to RPI plus 2%.

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 Policy and Resources committee.

## **5 Implementation and Process**

5.1 Notification of charges should be given in a reasonable time period. This allows for service users following amendments to significantly change or introduce new fees or charges for services that were previously delivered either for free or at a higher subsidy. Reasonable notice would be deemed as one month, unless legislation or statute stipulates otherwise.

5.2 Users of discretionary services must be aware of charges prior to ordering and delivery of services requested. Charges are expected to be quoted inclusive of VAT. Collection of payments should be efficient, practical and simple to understand by users. Payment will be expected to be collected in advance or service delivery.

5.3 When fees and charges are set and in accordance with the policy, Heads of services are required to ensure fees and charges are applied to all service users.

### **5.4 Market intelligence**

5.5 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.

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

### **5.7 Periodic review**

5.8 Decisions to charge or not to charge will be reviewed by services annually, with sufficient time for any impact of any revisions to be included in the budget setting process. All charges are expected to be increased inline with the policy unless there are exceptional reasons not to do so.

5.9 Heads of services are expected to undertake a regular review every four years – to ensure and provide assurance that all costs are being recovered. The Finance service will monitor the cost recovery position.

5.10 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.

5.11 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.

### **5.12 Recording of fees and charges**

5.13 The Council's fees and charges are set prior to each financial year and published as part of the budget process. 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.

5.14 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.

## **6 Governance**

- 6.1 The Council may decide to provide discretionary services without charge or at a level that does not fully recover the cost of delivery, in doing so this would mean the general tax payer will be subsidising service users, as the impact of the decision could divert funding from other services. Such decisions should support the Council Corporate Plan, Priorities and its objectives and will be subject to member approval by Council as this would be outside of policy.
- 6.2 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.
- 6.3 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.
- 6.4 When considering any subsidy or approval of fees outside of the policy, the following should be considered:
  - That the subsidy supports a corporate priority, objective or policy
  - That it is reasonable to assume that the impact of the policy can be measured
  - The cost of the subsidy can be estimated and is affordable in the council's budget
  - The proposed subsidy is the most effective approach to deliver the policy objective
  - Any other relevant information
- 6.5 Where fees and charges are set at a level that provides a subsidy to the service, these are outside of the policy and require consideration by Policy and Resources Committee and approval by Council.

## Annex: Guidance for New Fees and Charges and the Periodic Review of Fees and Charges

<b>Charging Policy</b>	
The charging policy must be stated and an explanation of why this is being proposed (for example cost recovery, subsidised or nominal as defined in the policy)	
<b>Comparative Information</b>	
Include details of comparative charges levied by other local authorities	
<b>Financial</b>	
Level of charge	Proposed new level of charge
Start Date	Implementing date for the new charge or new level of charge
Income	Expected gross income to be generated by the new charge (per annum)
Costs	The estimated cost of supplying the service including all administrative and overhead costs.
Subsidy	The amount of subsidy (if relevant) – subject to approval
Concessions	The type and amount (if any) or any proposed concessions – subject to approval
<b>Impact Assessment</b>	
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.	
<b>Council Impact</b>	
Note any consequences that the services or charge may have on other council services.	
<b>Method of Collection</b>	
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.	
<b>Consultation</b>	
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.	