

# TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Executive Committee
<b>Date of Meeting:</b>	26 April 2017
<b>Subject:</b>	Fees and Charges Strategy
<b>Report of:</b>	Simon Dix, Head of Finance and Asset Management
<b>Corporate Lead:</b>	Rob Weaver, Deputy Chief Executive
<b>Lead Member:</b>	Councillor D J Waters
<b>Number of Appendices:</b>	One

## **Executive Summary:**

The Council provides a wide range of services to the local community, businesses and visitors for which it is able to make a charge. For those charges where the Council has a discretion over the setting of fees and charges, it is important that it has a robust process in place for the review and setting of charges on an annual basis.

The Fees and Charges Strategy provides a framework from which Service Managers can consider their fees and charges and make proposals to ensure costs of providing services are being recovered and opportunities to expand income sources and act commercially are being considered. The Strategy also provides for a central point of coordination and a link to the budget setting process in order to ensure the fees and charges are considered and approved in good time.

## **Recommendation:**

**That the Fees and Charges Strategy, as attached at Appendix A, be APPROVED.**

## **Reasons for Recommendation:**

In these times of reducing public expenditure with reductions in core government grant and detrimental amendments to the New Homes Bonus Scheme, an organised approach to setting fees and charges offers the Council an opportunity to maximise the income available to help cover the cost of providing Council services.

## **Resource Implications:**

The Council currently raises in excess of £1m from its discretionary fees and charges. Ensuring that an annual review takes place with fees and charges being set appropriately will mean increased contributions, as fees and charges are set to recover the increasing costs of providing the services, which will help to manage the deficit faced by the Council. The current Medium Term Financial Strategy projects a £3.2m deficit and so a simple but coordinated approach to fees and charges will make a small, but necessary, contribution to the deficit. It is anticipated that an inflationary increase only each year would raise between £20,000 and £30,000 extra income.

## **Legal Implications:**

There are no direct legal implications of this report. When setting new fees and charges, or

changing current fee levels, the Council must ensure that it does so in accordance with the provisions of relevant legislation and statutory guidance. For example, when charging for the provision of discretionary services under the Local Government Act 2003 or the Localism Act 2011, there is a requirement for any charges to be on a cost recovery basis.

**Risk Management Implications:**

Failure to set charges correctly could lead to making losses on service provision or loss of customers and market share if services are over priced. A balanced and organised approach to fee setting should mitigate this risk.

**Performance Management Follow-up:**

Financial Services will support individual services areas in reviewing fees and charges and provide feedback on progress to the Council's s151 Officer. The s151 Officer will also coordinate proposals and present them to Corporate Leadership Team for sign off.

**Environmental Implications:**

None.

## **1.0 INTRODUCTION/BACKGROUND**

- 1.1** The Council provides a wide range of services to the local community, businesses and visitors for which it is able to make a charge – either under statutory powers (set by the Government) or discretionary (set by the Council).
- 1.2** In the current financial climate with reducing core government support and amendments to the New Homes Bonus Scheme, the opportunity to set appropriate fees and charges takes on even greater significance. Fees and charges offer an opportunity for the authority to maximise its financial position and to achieve policy objectives, for example by encouraging or discouraging the use of a service or to alter patterns of behaviour.
- 1.3** The decision on charging levels requires a robust understanding of the cost of service provision to ensure the fee being charged covers those costs and thus avoiding cross subsidisation. It also requires an understanding of the market, both customer expectations and competitors charging strategies, the benchmarking of costs against other public sector bodies and sometime the private sector and also an understanding of the impact such charges have on the use of the service.

## **2.0 FEES AND CHARGES STRATEGY**

- 2.1** The setting of fees and charges for existing discretionary services is delegated to members of Corporate Leadership Team (CLT) under the current constitutional arrangements. Any proposed new income stream must be approved by Executive Committee as must changes to approved policy such as discounts for customers in receipt of benefits.

**2.2** It is the responsibility of individual service areas to review fees and charges and make recommendations to CLT as to the new level of fees that should be set before 1 April each year. In some areas, it is clear that this annual requirement is not being met and the approach to fees and charges is on an ad-hoc basis. The proposed strategy, which is attached at Appendix A, attempts to tackle this issue and provide a clear and coordinated approach in order to give assurance that the correct level of charging is being made every year.

### **3.0 CONSULTATION**

**3.1** None required for this strategy. Service areas will be responsible for required consultation as part of their annual fee setting.

### **4.0 OTHER OPTIONS CONSIDERED**

**4.1** None. It is important to the financial wellbeing of the authority that a planned and systematic approach to the annual review of fees and charges takes place.

### **5.0 RELEVANT COUNCIL POLICIES/STRATEGIES**

**5.1** Medium Term Financial Strategy.

### **6.0 RELEVANT GOVERNMENT POLICIES**

**6.1** The Local Government Act 2003.

The Localism Act 2011.

General Power for Best Value Authorities to Charge for Discretionary Service –  
Guidance on the Power in the Local Government Act 2003 – November 2003.

### **7.0 RESOURCE IMPLICATIONS (Human/Property)**

**7.1** None.

### **8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)**

**8.1** None directly associated with the report.

### **9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)**

**9.1** None directly associated with the report.

### **10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS**

**10.1** Approval of Medium Term Financial Strategy and budget for 2017-18.

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**Background Papers:** None.

**Contact Officer:** Simon Dix, Head of Finance and Asset Management  
Tel: 01684 272005 Email: [simon.dix@teWKesbury.gov.uk](mailto:simon.dix@teWKesbury.gov.uk)

**Appendices:** A – Fees and Charges Strategy