

# West Suffolk Fees and Charges Policy

<b>Report number:</b>	<b>CAB/WS/21/042</b>	
<b>Report to and date:</b>	<b>Cabinet</b>	21 September 2021
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**Decisions Plan:** The decision made as a result of this report will usually be published within 48 hours and cannot be actioned until five clear working days of the publication of the decision have elapsed. This item is included on the Decisions Plan.

**Wards impacted:** All wards

**Recommendation:** It is recommended that the revised West Suffolk Fees and Charges Policy, as contained in Appendix A to Report number: CAB/WS/21/000, be approved.

## 1. Context to this report

- 1.1 The West Suffolk Fees and Charges Policy was last revised in 2014. In the context of our transformation work, we have taken the opportunity to review our approach to fees and charges, in order to ensure we maximise their contribution to the Strategic Framework and Medium Term Financial Strategy.
- 1.2 This report sets out the refreshed principles governing when and at what level fees and charges are set, so that decisions on individual fees and charges can be taken within a clear context. The revised West Suffolk Fees and Charges Policy is attached at Appendix A, for the Cabinet to consider and approve for adoption.

## 2. Proposals within this report

- 2.1 The fees and charges that can be set by West Suffolk for the provision of services to residents or other businesses vary depending on the legislative basis behind them. Statutory fees and charges are set by government with the councils having no control or very little (within a range) over pricing, whilst discretionary services are defined as those that a council is authorised but not required to provide.
- 2.2 The following draft principles for when fees and charges are used, and at what level they should be set are included in the draft revised fees and charges policy attached at Appendix A.
- 2.3 **Principles for when fees and charges will be applied:**
- When the law allows
  - When charging is in line with the council's strategic framework and Medium Term Financial Strategy
  - For discretionary services (in line with the principle of 'user pays')
  - For services provided through a Service Level Agreement
  - When the receipt from charging outweighs the cost of administration
  - Fees and charges will not be applied where their use would have significant negative consequences in terms of the Council's duty to promote equality of opportunity and protect groups who share a protected characteristic.
- 2.4 **Principles for setting the level of fees and charges:**
- The level of fee set by statute (where applicable), including considerations such as three-year rolling cost recovery requirements
  - Recovery of costs and overheads
  - Comparison with commercial offers
  - Benchmarking with other councils
  - Impact on behavioural change, including avoiding perverse incentives

- Considerations around pricing strategies and elasticity (for example, by setting fees too high, demand for the service may reduce. Equally setting fees too low may create unsustainable service demand)
- Implications for equality and diversity.

## 2.5 **Proposals for reviews of specific fees and charges**

Fees and charges will be reviewed on an annual basis, unless agreed otherwise, such as licensing fees, that are set three-yearly and incorporated within the overall West Suffolk budget setting arrangements. The recommendations made in this annual process come from Officers, working with Portfolio Holders and within the Council's governance framework, who undertake work to set fees and charges at an appropriate level. The West Suffolk Fees and Charges Policy:

- Equips Officers with a clear, consistent and concise **policy** which they must follow when formulating, agreeing and reviewing existing and / or recommending new fees and charges across West Suffolk, outside of where legislation provides for this.
- It provides **guidance** (service toolkit) in determining the level of fees and charges to set, including the factors that need to be considered when charges are reviewed (such as methods and costs of collection, impact on service users) and the need to record the decision-making process in order to demonstrate that decisions have been subject to a transparent and balanced process.

## 2.6 The West Suffolk Policy also:

- requires services to carry out active use of benchmarking / market intelligence when setting fees and charges to ensure that those across West Suffolk are comparable with others and where there are differences these are understood and justified;
- presents services with parameters (such as different pricing modules) in which to calculate different levels of fees and charges, so that they are considered and set at a level which will increase the proportion of income contributed by users of services where appropriate, rather than the costs being met from the general tax payer and through central government grants. There are also clear links to the council's encouragement of more commercial behaviours with West Suffolk acting as a contractor where services are transferable and can be provided to others generating income opportunities for the Council;
- permits Directors to approve proposed fees and charges, unless an assessment has determined that the fee or charge has significant public interest; in these instances, the proposed charges will be put forward to the Portfolio Holder;

- ensures that services review their fees and charges on an annual basis; with opportunities to optimise income considered within the overall West Suffolk budget setting process; and
- encourages channel shift with service delivery moving towards the lowest cost channels (including online) in order to achieve greater efficiency and to reduce costs.

### **3. Alternative options that have been considered**

- 3.1 The Council could keep the current 2014 West Suffolk Fees and Charges Policy in place. However, the opportunity to refresh it to take into account good practice, will be lost.

### **4. Consultation and engagement undertaken**

- 4.1 The proposed policy has been discussed by the Leadership Team and has been developed in consultation with the Resources and Property team, Policy team, Internal Audit and the Portfolio Holder for Resources and Property.

### **5. Risks associated with the proposals**

- 5.1 Inconsistent application of the policy could result in fees and charges being set too high (and therefore collection rates are low or services not being competitive) or too low (resulting in a loss of income to the councils). However, the risk is low as supporting guidance and support from finance business advisers helps to ensure fees and charges set at an appropriate level. The budget setting process also allows review.

### **6. Implications arising from the proposals**

- 6.1 Financial – As set out on the main report.
- 6.2 Legal Compliance - Guidance has been sought on the legal implications of this policy. The West Suffolk Council Constitution requires that if increases in charges payable by members of the community to provide a service or facility by more than 5% then it will constitute a key decision, requiring us to advertise in advance (or include in the budget reports) that we are going to make the decision.
- 6.3 Personal Data Processing – no significant issues arising from this report.
- 6.4 Equalities – The policy and guidance highlight the importance of assessing the impact on particular groups of the fees and charges under consideration. This is the responsibility of the officers involved in setting each charge.

- 6.5 Crime and Disorder – no significant issues arising from this report.
- 6.6 Environment or Sustainability – no significant issues arising from this report.
- 6.7 HR or Staffing – no significant issues arising from this report.
- 6.8 Changes to existing policies – As set out in the main report.
- 6.9 External organisations (such as businesses, community groups) – no significant issues arising from this report.

## **7. Appendices referenced in this report**

- 7.1 Appendix A – draft West Suffolk Fees and Charges Policy

## **8. Background documents associated with this report**

- 8.1 [SEBC Performance and Audit Scrutiny Committee - 26 November 2014 \(Report No: PAS/SE/14/005\); Appendix A; Appendix B](#)  
[FHDC Performance and Audit Scrutiny Committee - 26.11.2014 \(Report No: PAS/FH/14/005\); Appendix A; Appendix B](#)