

DRAFT West Suffolk Council fees and charges policy

1. Introduction

- 1.1 West Suffolk provides a wide range of services to its local communities; some of these services are paid for through Government grants, business rates and council tax but other services are provided through a fee or charge to the individual using the service or where West Suffolk Council acts as a contractor.
- 1.2 The nature of these fees and charges depends on whether they relate to statutory or discretionary services:
 - Statutory fees and charges – the level of charge is usually determined by Government, or locally with a statutory maximum fee.
 - Discretionary services – those that a council is authorised but not required to provide.

2. Scope of policy

- 2.1 This document excludes the setting and reviewing of the business rates and council tax charging structure, rents on commercial or residential properties, commissions, or those fees which are set nationally.

3. Legal basis

- 3.1 The legal basis for charging for council services is varied and the council complies with the specific powers and broader legal framework when considering the fees and charges it makes.
- 3.2 For some services, the law allows the council to charge specific fees, or requires the council to calculate the fee in specific ways. For example, there are regulations that determine how much the council is allowed to charge for planning applications; or require certain regulatory fees are based on a rolling three-year cost-recovery model.
- 3.3 There are other services which the council provides on a discretionary basis, in that it does not have a formal duty to provide the service. This includes services such as collecting waste from commercial premises and car parking. The law therefore allows the council greater scope to set its charges.

4. West Suffolk principles for setting fees and charges

- 4.1 Fees and charges are used by West Suffolk Council in order to deliver the council's strategic priorities and Medium Term Financial Strategy. They are also used to incentivise or disincentivise behaviours.
- 4.2 Within the legal framework, in considering whether a fee or charge is applicable, West Suffolk Council will have regard to the following principles:

4.3 Fees and charges may 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

4.4 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.

4.5 Fees and charges will normally be calculated on a marginal or full cost and overheads-recovery basis, depending on the state of the market and any other influencing factors. In setting the level of fees and charges, West Suffolk Council will have regard to the following principles:

- 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.

5. Process

5.1 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, taking into consideration any legislative consultations that may be required. Significant fluctuations in charges year-on-year should be avoided but may be inevitable if market conditions require this.

5.2 Market research, comparative data, management knowledge and any other relevant information, such as partnership or contractual relationships, will be used where appropriate to ensure that the charges are properly prepared.

5.3 Directors will make decisions on fees and charges and will be provided with the rationale used for the proposed price changes.

5.4 In some cases, if the assessment will determine that the fees to be introduced or the review of the charging structure has significant public or media interest, the proposals are to be discussed with the relevant Portfolio Holder.

- 5.5 The West Suffolk Council Constitution also requires that if increases in charges payable by members of the community to provide a service or facility by more than 5 per cent then it will constitute a key decision, requiring us to advertise in advance (28 days) that we are going to make the decision.
- 5.6 If permitted charges are not to be reviewed annually (or within their review period), and will have a significant impact on the service, a report must be provided to the Portfolio Holder within the budget setting process detailing the justification. This will need to include links to the corporate priorities, the financial implications and the details as to where the budget shortfall will be funded from.
- 5.7 Charges to commercial customers may be negotiated out of the set fee structure, so long as this does not result in detriment to West Suffolk Council.

6. Administration

- 6.1 Each service will maintain a schedule of fees and charges that apply in its service area.
- 6.2 These fees and charges will be published on the West Suffolk website and at the point of sale where appropriate; these must be straightforward and easy to understand.
- 6.3 Contractual fees, of a commercially sensitive nature, will not be published.
- 6.4 Reasonable notice will be given to service users before new fees and charges are implemented; statutory requirements to inform or consult with service users will be complied with.
- 6.5 If any member of the public or business community believes that West Suffolk has acted in a way that is not in line with this policy, the comments, compliments and complaints process will be followed.

7. West Suffolk Council as a contractor

- 7.1 West Suffolk will actively participate in bidding for service contracts, such as those through a Service Level Agreement, to provide services within the area; this may be either on a cost plus margin or cost recovery basis.
- 7.2 Trading can be undertaken through the vehicle of a company on a profit-making basis. A council can only trade in respect of functions that it does not have a duty in law to provide to the person with whom it trades. The preparation and approval of a business plan is required for trading under the 2003 Act. The company need not be wholly owned by West Suffolk Council but could be a joint venture with a private partner.

8. Sponsorship

- 8.1 Sponsorship is an agreement between the council and the sponsor, where the council receives either financial support or a benefit in kind for an event or campaign from another organisation which in turn gains publicity or other commercial benefits. West Suffolk Council welcomes the development of these constructive relationships with external organisations.
- 8.2 The Sponsorship Policy provides the framework for arranging such sponsorship agreements.