

Cabinet



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Recommendation of the Performance and Audit Scrutiny Committee: 26 November 2014 West Suffolk Fees and Charges Policy	
Report No:	CAB/SE/14/005	
Report to and dates:	Cabinet	2 December 2014
Portfolio holder:	David Ray Portfolio Holder for Resources and Performance Tel: 01359 250912 Email: david.ray@stedsbc.gov.uk	
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Purpose of report:	On 26 November 2014, the Performance and Audit Scrutiny Committee considered Report No: PAS/SE/14/005 , which informed Members of a Draft West Fees and Charges Policy to create a single, clear and consistent approach to formulating, agreeing and reviewing the fees and charges set by the West Suffolk councils.	
Recommendation:	It is <u>RECOMMENDED</u> that, the West Suffolk Fees and Charges Policy, attached as Appendix B to Report No: PAS/SE/14/005, be approved.	

Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>		<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input checked="" type="checkbox"/> No, it is not a Key Decision - <input type="checkbox"/> (a) A "key decision" means an executive decision which, with regard to any guidance from the Secretary of State, is likely:- (i) To result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates; or (ii) To be significant in terms of its effects on communities living or working in an area comprising two or more Wards in the Borough.	
<i>The key decision made as a result of this report will be published within 48 hours and cannot be actioned until seven working days have elapsed. This item is included on the Decisions Plan.</i>			
Consultation:		• See Report No: PAS/SE/14/005	
Alternative option(s):		• See Report No: PAS/SE/14/005	
Implications:			
<i>Are there any financial implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: PAS/SE/14/005	
<i>Are there any staffing implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: PAS/SE/14/005	
<i>Are there any ICT implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: PAS/SE/14/005	
<i>Are there any legal and/or policy implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: PAS/SE/14/005	
<i>Are there any equality implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: PAS/SE/14/005	
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
	Low/Medium/ High*		Low/Medium/ High*
See Report No: PAS/SE/14/005			
Ward(s) affected:		All Wards	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		See Report No: PAS/SE/14/005 to Performance and Audit Scrutiny Committee: West Suffolk Fees and Charges Policy	
Documents attached:		None	

1. Key issues and reasons for recommendation(s)

1.1 Key Issues

1.1.1 In summer 2014, a review of the West Suffolk Councils' fees and charges was carried out by the Councils' Senior Auditors from the Resources and Performance team. The review examined the ways in which fees and charges were currently set by West Suffolk, when charging for the provision of a service. Interviews were carried out with staff from across West Suffolk.

1.1.2 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. The review work only covered those fees and charges where the councils had control over their setting and also excluded Council Tax and Business Rates.

1.1.3 The main findings from the review were as follows:

- benchmarking showed that in large part, West Suffolk's fees and charges were comparable with other authorities in Suffolk;
- the process for setting fees and charges varied between services and between the two councils. Different considerations were taken into account, with little consistency of approach to issues such as cost recovery compared to encouraging changes in behaviour;
- many of the processes for setting fees and charges had not been revisited for some time and did not reflect the Medium Term Financial Strategy theme of encouraging a more commercial approach to the setting of fees and charges.

1.1.4 West Suffolk's fees and charges are agreed annually through the budget setting processes for both Councils. The recommendations made in this annual process come from officers, working with portfolio holders and within the Councils' governance framework, who undertake work to set fees and charges at an appropriate level. In order to improve this process, a West Suffolk Fees and Charges Policy has been drafted, with these key features.

- It 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.

1.1.5 In particular, the new documents:

- require services to carry out more 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;
- present 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 via central government grants. There are also clear links to the Councils' 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 Councils;
- permit Heads of Service 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;
- it 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
- it encourages channel shift with service delivery moving towards the lowest costs channels (including online) in order to achieve greater efficiency and to reduce costs.

1.1.6 The Performance and Audit Scrutiny Committee considered the Draft West Suffolk Fees and Charges Policy and has put forward a recommendation as set out on the front page of this report.