

# Place and Resources Overview Committee

## 24 November 2022

### Fees and Charges Policy

#### For Recommendation to Cabinet

**Portfolio Holder:** Cllr G Suttle, Finance, Commercial & Capital Strategy

**Local Councillor(s):**

**Executive Director:** A Dunn, Executive Director, Corporate Development

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**Report Status:** Public

#### Brief Summary:

As a development under the Commercialisation Transformation – Being More Commercially Minded Programme this report proposes the adoption of a Fees and Charges Policy that sets out a corporate approach to effective management of fees and charges that will ensure the Council maximises commercial opportunities to generate income on the delivery of chargeable services.

The purpose of the proposed Fees and Charges Policy is to provide a consistent approach in setting, monitoring, and reviewing fees and charges, and applies to fees and charges for discretionary services and trading activities across the Council. This Policy specifies the processes for fees and charges and trading activities across the Council. This Policy specifies the process for fees and charges, and provides what factors need to be taken into consideration when charges are initially set and consequently reviewed annually.

#### Recommendation:

The Place and Resources Overview Committee is asked to consider the contents of this report and recommend the proposed Fees and Charges Policy to Cabinet (date 23<sup>rd</sup> January 2023).

## **Reason for Recommendation:**

The proposed Fees and Charges Policy sets out the policy position of the Council when it comes to fees, charges, and establishes some key principles to apply when creating or reviewing any fees or charges.

### **1. Fees and Charges Policy - Introduction**

- 1.1 As with other Local Authorities, the Council is facing continual financial pressures following years of reduced income and the need to generate income locally. Making the best use of the ability to generate income from fees and charges is therefore important to the Council. Of the many services provided by the Council, many are centrally funded or managed through council tax.
- 1.2 Being more commercially minded where fees and charges are concerned will enable the Council to be in a better place to continue to meet funding challenges. The pandemic has shown how much residents rely on the council service and has exposed further the budget constraints on delivery of services, the revenue from fees and charges is therefore essential to sustain future delivery.
- 1.3 The purpose of the proposed Fees and Charges Policy is to provide a consistent approach in setting, monitoring, and reviewing fees and charges, and applies to fees and charges for discretionary services and trading activities across the Council. The Policy specifies the processes for fees and charges, and provides what factors need to be taken into consideration when charges are initially set and consequently reviewed annually.
- 1.4 The key objectives of the Policy are to ensure that:
  - all decisions on fees and charges for services and income generating activities will be taken with reference to and in support of Council priorities
  - all fees and charges, and the scope for charging, will be reviewed at least annually by the Directorate concerned in consultation with Finance and Commercial as part of the budget setting process
  - the full cost of delivery to be calculated and documented to enable full consideration to be given to the opportunities for improving efficiency and income from a service

- in general, fees and charges income from discretionary services should recover the full cost of delivery, except where:
  - it is not appropriate to do so, for example where services provide support to service users that helps prevent the need to access more costly or complex services later therefore it is in the interest of the Council not to apply full cost recovery
  - it is prevented by government legislation to do so
- any approach to not apply full cost recovery is agreed by the relevant Executive Director in consultation with the Section 151 Officer.

1.5 A corporate approach to commercially activity in terms of setting fees and charges ensures that chargeable services represent best value to the residents of the Council's local authority area. It supports the focus of the Corporate Plan of Dorset Council to make Dorset a great place to live, work and visit, priorities being:

- Protecting our natural environment, climate and ecology
- Creating stronger, healthier communities
- Creating sustainable development and housing
- Driving economic prosperity
- Becoming a more responsive, customer focused council

## 2. **Financial Implications**

- 2.1 To be considered by each business area when setting their annual fees and charges as part of the corporate annual review process, or when setting new fees and charges, in accordance with the proposed Fees and Charges Policy.
- 2.2 Effective management of fees and charges will ensure the Council maximises commercial opportunities to generate income on the delivery of chargeable services.

## 3. **Environmental Implications**

- 3.1 To be considered by each business area when setting their annual fees and charges as part of the corporate annual review process, or when setting new fees and charges, in accordance with the proposed Fees and Charges Policy.

#### 4. **Well-being and Health Implications**

- 4.1 To be considered by each business area when setting their annual fees and charges as part of the corporate annual review process, or when setting new fees and charges, in accordance with the proposed Fees and Charges Policy.

#### 5. **Other Implications**

- 5.1 **Inflation:** There is always pressure on the Council's budgets, but at the current time, this is particularly due to inflation. Application of a policy approach will mean that where services are subject to a charge, that this is set according to a method agreed by Cabinet, and this will ensure that the relationship between price and cost always remain appropriate and sustainable.

#### 6. **Risk Assessment**

- 6.1 **HAVING CONSIDERED:** the risks associated with this decision; the level of risk has been identified as:

Current Risk: Low

Residual Risk: Low

- 6.2 The purpose of the proposed Fees and Charges Policy is to have a corporate approach and consistency to mitigate any increased risk in setting and monitoring fees and charges, and ultimately to the Council's ability to generate income.

#### 7. **Equalities Impact Assessment**

- 7.1 The initial draft of the Equalities Impact Assessment indicates that setting Policy in respect of how fees and charges are set and monitored will have a positive impact to vulnerable groups as it will provide consistency in the approach when considering chargeable services that vulnerable groups are, or may wish to, accessing.

#### 8. **Appendices**

- 8.1 Appendix 1 – Fees and Charges Policy - 24 11 22

#### 9. **Background Papers**

- 9.1 Not applicable