

SUBJECT:	Fees & Charges Policy	
REPORT OF:	Officer Management Team -	Director of Resources
	Prepared by -	Head of Finance & IT

1. Purpose of Report

1.1. To review the current Fees & Charges policy.

2. Links to Council Policies & Plans

2.1. Fees and charges are an element of providing value for money services.

3. Background

3.1. Each year SBDC earns approximately £3.7m from fees and charges, which equates to approximately 13% of the Council's total income.

3.2. The Fees & Charges policy (appendix A) sets out Council's overall approach to charging, in order to help ensure that charges support the Council's overall policies. The current policy was adopted by the Resources PAG in October 2010 and is therefore due for review.

3.3. Each year the fees and charges for the following year are set as part of the overall budget setting process. The Fees & Charges Policy determines what issues need to be taken into account when setting these.

4. Discussion

4.1. The fees & charges policy formally sets out in writing the current charging practices and this year Members are asked to consider 2 potential changes as follows:

- 1) It is suggested that a new section 5 is added to make explicit the requirement to occasionally benchmark our fees and charges.
- 2) Whether to add a new concession group for full time students.

4.2. The second change arises as a member of the public queried that we did not offer student discounts at the golf course, so consequently we undertook a review to see what student concessions other authorities generally offered.

4.3. Adding a new student discount will primarily affect the golf courses. The following table therefore details what concessions other local golf course offer.

Course	Student Concession
Huntswood	Yes. With a valid student card up to the age of 21.
Wycombe Heights	Yes. With a valid student card in full time education, no age restriction.
Wexham Park	Yes. With a valid student card in full time education, no age restriction.
Downshire	Yes. With a valid student card in full time education, no age restriction.

5. Resources, Risk and Other Implications

- 5.1. The Fees & Charges policy will continue to promote more detailed reviews of fee levels which could affect either positively or negatively the amount earned.
- 5.2. Adding an additional student concession will positively benefit this group, but could reduce income. According to the 2001 census data there were 958 full time students in South Bucks between the ages of 18 and 74. This equates to approximately 1.5% of the population.

6. Recommendation

- 6.1. The PAG is asked to advise the Portfolio holder on whether to recommend to Cabinet and then Council that the Authority should adopt the attached updated Fees & Charges policy.

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Background Papers:	

Appendix A:

SOUTH BUCKS DISTRICT COUNCIL FEES & CHARGES POLICY

Version	V2012-01
Date Issued	February 2012
Frequency of Review	Bi-Annual
Department Responsible	Finance

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1. Purpose of Policy

The purpose of this policy is to provide an overarching framework to assist in setting the various fees and charges levied by the Authority.

When setting individual fees and charges consideration will be given to this document. However additional detail will be required to determine the appropriate strategy for each income type and this will be provided to the relevant Policy Advisory Group and / or Cabinet when the specific fees and charges are being considered.

2. Linkages with other Strategies and Plans

The Council's Fees & Charges Policy is part of the Authority's overall corporate process for working towards the continual improvement of services in response to the expressed views of the local community.

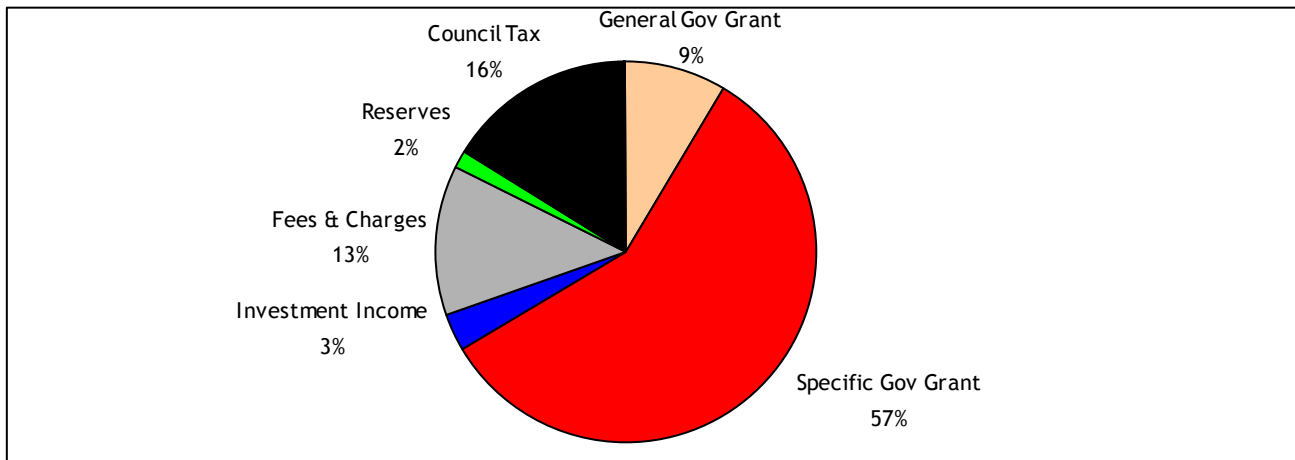
The Fees & Charges Policy is one part of the Authority's overall financial strategy. The objective of overall financial strategy is to align the Council's financial resources to the priorities of the Corporate Plan in a realistic manner taking into account risks and opportunities.

The Fees & Charges Policy is firmly grounded in the Council's clearly stated priorities that run through its Corporate Plan. These are:

- **Aim 1: Thriving Economy** - lifelong enterprise, the entrepreneurial heart of Britain.
- **Aim 2: Sustainable and Clean Environment** - protecting our heritage, protecting our future.
- **Aim 3: Safe Communities** - being safe, feeling safe.
- **Aim 4: Health and Well-being** - healthier, happier and longer lives.
- **Aim 5: Cohesive and strong communities** - strong, confident and active communities.

3. Analysis of Current Fees & Charges

Each year SBDC earns approximately £3.7m from fees, charges and other miscellaneous income, which equates to 13% of the Council’s total revenue income.



The Councils budgeted revenue income for 2011/12 is as follows:

	Budgeted Income 2011/12 £'000	Comment
General Government Grants	2,470	Revenue Support Grant £583k, NNDR £1,887k
Specific Government Grants	16,595	Mainly Housing and Council Tax Benefit subsidy
Investment Interest	900	
Fees, Charges & other income	3,679	
Reserves	443	
Council Tax	4,641	
Total	28,728	

The main SBDC fees and charges are shown in the following table:

	Budgeted Income 2011/12 £'000	Details of any restrictions on charging
Planning fees - Main fees - Charges for pre application advice	500 80	Most planning fees are currently fixed by statute.
Building Control fees	385	Fees should be set to break even
Land Charges fees	122	Fees should be set to break even
Car Parks - Ticket income - Excess Charges / Parking fines - Other	836 100 40	
Licensing	158	Many licensing fees are fixed by statute.
Lanes Golf Course	148	
Rents	349	
SPMG / Cemetery Charges	156	
Leisure - Sports & Arts fees	14	
Recycling credits & sale of paper etc	462	
Other	329	
Total	3,679	

In addition fees and charges are set for using the leisure facilities at the Beacon and Evreham centres. These are set by the Leisure Management contractor, Nexus, subject to price rises not being above the retail price index unless consent is given by SBDC. The income generated is kept by Nexus as part of the contractual agreement.

4. Process for Setting Fees & Charges

Section 13 of the Financial Procedures rules state that:

'No new charges or changes in existing charges shall be made except upon a report (prepared by the Chief Officer concerned in conjunction with the Director of Resources) to initially the appropriate Cabinet Member, and ultimately a recommendation to Council, except that: -

- *The Director of Resources, in conjunction with the Officer concerned, may increase the existing charges annually in line with inflation or take account of changes in the rate of VAT; or*
- *With the approval of the appropriate Cabinet Member, the Chief Officer in liaison with the Director of Resources, may vary existing charges where in his opinion there is an urgent need or demand for changes in these charges, subject to a report being made to the next meeting of the Council.'*

Each year, as part of the annual budget setting process, SBDC therefore reviews all fees and charges as follows.

Each Service Manager considers each of their fees and charges and comes up with a proposal for their level for the following financial year



The Service Manager consults with the relevant Cabinet Member on their proposals



The Finance Team prepares a paper for each PAG to bring together all the proposed fees and charges



The recommendations of the PAG are then considered by the Portfolio Holder who proposes fees and charges which are then considered in turn by Cabinet and then Council as part of the overall budget setting reports

There are however a few exceptions to this as follows:

Fees primarily set by central Government

- Planning fees
- Certain licensing fees.

Areas of significant income are subject to specific reports to Members eg

- Land charge fees
- Building control fees
- Car park fees and charges
- Golf fees

5. Benchmarking

In order to help inform its decision on charging for services the Council will occasionally benchmark its fees and charges, to ensure that they are comparable with other authorities / our competitors.

6. Pricing Principles

In order to help inform its decision on charging for services the Council has set out a number of overarching guiding principles as follows.

1. Fair shares	2. Rationality and prioritisation	3. Stability and predictability
A. Subsidy from taxpayer to service user should be a conscious choice.	A. Fees and charges should reflect key commitments and corporate priorities.	A. The impact of pricing policies should be managed through phasing over time where the impact is high.
B. Concessions for services should follow a logical pattern.	B. Price should be based on added and perceived value as well as cost.	B. Policies should fit with the council's medium-term financial strategy, ie, be affordable to service users and taxpayers.
C. Fees and charges should not be used to provide subsidy to commercial operators from the council taxpayer.	C. There should be some rational scale in the charge for different levels of the same service.	C. Fees and charges should generate income to help develop capacity, deliver efficiency and sustain continuous improvement.
D. A tough stance should be taken on fee dodging.	D There should be some consistency between charges for similar services.	D. Fees and charges should be prominently displayed and publicly made available.

Based on: Audit Commission Report - Kettering BC Principles-based approach

7. Concessionary Pricing

SBDC believes that all residents should be able to afford to use its services and the SBDC Equalities Statement is:

'All services and facilities provided by South Bucks District Council will be accessible, adequate and appropriate to the needs of all users, irrespective of their race, colour, creed, gender, disability, age, nationality, sexual orientation or marital status and no member of the community will be placed at a disadvantage by conditions or requirements that cannot be shown to be justifiable. The Council will take positive measures to improve equality and will value multi-cultural diversity. The Equal Opportunities policies and procedures will be monitored and evaluated. Progress will be published each year in the Annual Report.'

(Source: Equal Opportunities Policy).

In particular it supports concessionary prices for young people, **full time students**, older people, families, low income groups and those with disabilities.

SBDC normally defines:

- Young people as under 18.
- **Full time students as a person who is studying at a recognised further education establishment for at least 25 hours a week¹.**
- older people as over 60,
- Families as being up to two adults and 3 children (under 18).
- Low income groups as being those claiming income support, job seekers allowance (income based), housing or council tax benefit.
- Those with disabilities as being in receipt of disability living allowance or attendance allowance.

¹ To qualify for this discount the student would need to produce a certificate from the college / university confirming they are a full-time student and detailing the dates of the course. In the case of a traditional student nurse, a letter from the health authority confirming that the person is a student nurse and the date they started and expect to qualify.

The level of concession will depend on the service being provided but:

- the discounted price will normally be in the range of 50-70% of the full price, and
- the charges for all concessionary groups will normally be the same.

However in some areas (eg golf fees) the fees charged are in large part determined by market rates and as such may fall outside of these guidelines. Furthermore some services do not offer concessionary discounts due to the nature of the service provided (eg pre-application planning advice).

8. Prompt Payment and Other Discounts

Prompt Payment

SBDC believes that all payments should be made promptly and does not generally offer prompt payment discounts. The only exception to this is regarding excess charges / parking fines where in common with most authorities SBDC offers a 50% discount for payment within 14 days.

Long Term Usage

Long term usage agreements (eg car park season tickets and regular leisure bookings) will normally be eligible for discounts. The level of which will depend on the nature of the service provided.

Preferred Service Channels

SBDC believes in providing efficient services and thus wishes to encourage the use of more efficient service channels. It will therefore support limited differential pricing to encourage customers to switch to using more efficient service channels. For instance information can be accessed free of charge on the intranet but hard copies may incur a charge.

However at present it does not charge different fees depending on the method of payment (eg debit v credit card).

Sustainability

The Council is committed to sustainability issues, including carbon reduction initiatives. It will therefore consider differential pricing to encourage sustainability (eg taxi licensing discounts for low emission vehicles).

9. VAT

Whether or not VAT is applied to fees and charges is determined by VAT legislation and cannot be controlled by SBDC.

10. Charges for Discretionary Services

SBDC believes in providing value for money to both taxpayers and service users. Many fee levels are set by statute or limited to cost recovery and thus SBDC's ability to change these is constrained. However when SBDC does provide discretionary services, and can influence the fee level, it will normally charge the user for the full cost of providing that discretionary service (eg planning pre application advice).

When determining charges for Discretionary Services SBDC will take account of the advice given by the OPDM in November 2003 in the document entitled:

'General Power for Best Value Authorities to Charge for Discretionary Services - Guidance on the Power in the Local Government Act 2003'. (<http://www.local.odpm.gov.uk/guidprop.pdf>)

In particular the guidance reiterates the following key features of the charging power in sections 93-94 & 97-98 of the Local Government Act 2003:

- Authorities are under a duty (set out on the face of the Act) to secure that, taking one year with another (see paragraphs 21 and 24), the income from charges do not exceed the costs of provision.
- Authorities must already have the power to provide the service. This includes discretionary services provided under well being powers in the Local Government Act 2000.
- The recipient of the discretionary service must have agreed to its provision and to pay for it.
- Applies both in England and Wales.
- Does not apply to services which an authority is mandated or has a duty to provide.
- Does not override any (existing or future) provisions in primary or secondary legislation which:
 - Expressly prohibits an authority from charging for a discretionary service; or
 - Confers a power to charge for a discretionary service.
- Charges may be set differentially, so that different people are charged different amounts. Authorities are not required to charge for discretionary services. They may provide them for free if they so decide.
- A reserve power (section 94) to allow the Secretary of State to disapply the new charging power.
- Powers at sections 97-98 would allow the Secretary of State to modify or exclude the application of an enactment that confers power on an authority to charge for a discretionary service or that restricts their ability to charge for a discretionary service.

11. Consultation & Stakeholder Involvement

Consultation and involvement of residents and users in shaping decisions is a very strong component of the South Bucks philosophy.

Each year specific consultations are carried out on the main discretionary fees and charges as follows:

Fee / Charge	Details of Consultation
Licensing fees	Whilst most licensing fees are statutory fees, any fees charged in relation to Hackney Carriage & Private Hire Licensing must be subject to consultation. Under section 53(2) and section 70 of the Local Government Miscellaneous Provisions Act 1976 there is a requirement to publish the fees in at least one local newspaper circulating in the district stating the proposed variations. There is also a requirement to deposit a notice at the Council Offices for public inspection for a period of twenty-eight days. If no objection to the proposed variation is received then the variation shall come into effect on the date specified within the Public Notice. If a formal objection is received to the proposed variations then within the period of two months the matter is to be reported to the Full Licensing Committee for further consideration.
Car park charges	Each year SBDC consults on the proposed car park fees and charges by circulating draft proposals to all parish Councils, all local business, prominently displaying these in each car park, and putting these on the 'have your say section of the SBDC website. The consultation period lasts at least 20 days and all consultation responses are provided to the members of the Environment PAG who consider these when finalising their proposals for car park fees and charges.

Fees and charges will also be prominently displayed at the point of delivery and publicly made available on the SBDC website.