



CHESTERFIELD
BOROUGH COUNCIL

Fees and Charges Policy

Policy statement

Chesterfield Borough Council is committed to ensuring a consistent approach in setting, monitoring and reviewing fees and charges, while retaining the flexibility needed to achieve the Council's social and legal obligations, as well as its commercial needs in maximising income generation.

1. Policy context

- 1.1 Legislation allows the Council to choose to provide certain services to the public in the interest of the Council's area and its citizens. We refer to these services as discretionary services. The Council may choose to charge for these services and also choose to provide a concession on that charge.
- 1.2 The policy expects that decisions to vary the rate charged for discretionary services will be made in support of the Council's priorities and strategic objectives. Objectives may include the need to influence public behaviour, address inequalities of access to services due to financial or other disadvantage, as well as to manage demand and competition to sustain and improve service offer.
- 1.3 The Councils Budget Strategy sets out the financial objectives to support the delivery of the Corporate Plan. These objectives remain challenging in the context of an uncertain economic future, cost of living pressures and significantly reduced funding from the Government.
- 1.4 The current economic climate and the prevailing high rates of inflation mean that the costs of delivering services are increasing, making it more important than ever that all services are delivered as efficiently and effectively as possible, embedding commercial operating principles in how budgets are set and managed. It is imperative that all budget holders are focused on minimising costs and waste and maximising appropriate income opportunities. This includes the need to ensure that fees and charges are regularly reviewed to ensure that wherever possible the costs of service delivery are recovered, and that there is no cross subsidy from other service areas. This is particularly important for areas of discretionary spend, where the council does not have a statutory responsibility to deliver the service.

2. Policy charging principles

- 2.1 The overarching aim of the policy is to embed a financial sustainable approach to setting fees and charges. The charging principles are set out below.

- All decisions on fees and charges for services and income generating activities will be taken with reference to and in support of Council priorities.
- Fees and charges will be reviewed **at least** annually in consultation with the Section 151 Officer¹ and in line with the Council's Constitution. This will include those services which could be charged for, but which may currently be provided free of charge.
- 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.
- As a general principle, fees and charges income from discretionary services should recover the full cost of delivery, except where this is prevented by legislation, market conditions or does not meet the objectives of the Council.
- Concessions to priority and target groups will be considered where this is appropriate and in accordance with any relevant government guidance. The Council's Concessions Policy is set out in the following link (https://chesterfield.moderngov.co.uk/documents/s33894/Appendix%20A_Concessions%20Policy%202020.pdf)

3. Policy scope and exclusions

- 3.1 This policy applies to the setting and reviewing of all fees and charges for Council services, where the Council has discretion to apply a charge and discretion over the level of charge applied.
- 3.2 This policy excludes:
- Charges that are determined by Central Government and external regulatory bodies.
 - Council Tax and Business Rates
 - Property Rents

4. Responsibilities and policy review

- 4.1 Fees and charges will be reported to Cabinet at least annually as part of the Council's budget setting process. The report should also include an impact assessment on the proposed fees and charges in order to inform decision making. The policy expects Service Managers to be able to evidence their pricing approach through undertaking

¹ Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs and appoint a Section 151 Officer, also known as a Chief Financial Officer (CFO) to have responsibility for those arrangements. At the Council this is the Service Director – Finance.

benchmarking with other comparable facilities and services, through service usage statistics, and service user surveys, as appropriate.

- 4.2** Responsibility for reviewing this Policy will be that of the Service Director Finance in consultation with the responsible Cabinet Member(s). In light of constantly changing financial pressures and other circumstances this policy will be reviewed on an ongoing basis as necessary,

5.0 Legislation

5.1 There are a large number of legal powers that impact on the Council's ability to charge for particular services and the legislation that governs the ability for Local Authorities to charge and generate income is complex. There are number of specific statutes that are relevant, and these include:

- The Local Authorities (Goods and Services) Act 1970 sets out the way in which local authorities are allowed to 'trade' with other public bodies. This offers flexibility and more crucially, does not limit arrangements to cost recovery.
- The Local Government Act 2003 (LGA 2003) includes a general power for local authorities to charge for discretionary services. Charges under this power are limited to cost recovery. The general power to charge for discretionary services has the following key features:
 - Authorities are under a duty to ensure that, year on year, the income from charges cannot exceed the costs of provision.
 - Authorities must already have the power to provide the service.
 - The recipient of the service must have agreed to its provision and to pay for it.
 - It does not apply to services which are mandatory i.e., services which the Council has legal duty to provide.
- LGA 2003 authorises councils to trade commercially through a company and to enter into commercial contracts. Using this provision, local authorities can trade with any person, including non-local authorities and non-public bodies for profit. The primary purpose of any company (or participation in any company) is to promote or improve well-being.
- The Localism Act 2011. This act includes a 'general power of competence' which gives local authorities the legal capacity to do anything an individual can do that is not specifically prohibited by another relevant Act.

- Section 19 Local Government (Miscellaneous Provisions) Act 1976. The power to provide recreational facilities and to charge for use of them.

6.0 Charging Models

6.1 The table below sets out the charging models to be used, the definition of the charge and the application.

Service Type	Definition	Application
Statutory	Service set as statutory by legislation / regulation	Charges are defined by legislation
Discretionary Full Cost Recovery	As defined by Chartered Institute of Public Finance and Accountancy (CIPFA) total cost model. The cost of the charge will include direct costs, direct overheads, corporate overheads, building and premises costs, unproductive time, capital and investment costs.	Council standard approach
At least Direct Costs	As a minimum the Council should recover the direct cost of providing the service. Where possible there should be a contribution towards overheads.	This will allow flexibility in pricing and enable external market conditions to be considered. This method can be used as a phased implementation to full cost recovery
Subsidised	This is where the direct cost of the service is not fully met.	This method should be used as an exception. The level of subsidy will be determined by reference to the nature of the service and the rationale for the subsidy.

7.0 Publication of Fees and Charges

7.1 The schedule of fees and charges will be published on an annual basis and be made available on the Council's website.

8.0 Financial Procedures

- 8.1 This Policy should be read in conjunction with the Council's Financial Regulations contained in the Constitution.