



Executive Committee

No Direct Ward Relevance

23rd April 2008

8. CHARGING POLICY AND PROCEDURES

(Report of the Borough Director))

1. Purpose of Report

To present for Members' consideration a draft Charging Policy and Procedure for Redditch Borough Council.

2. Recommendation

The Committee is asked to **RECOMMEND** that

the Council approve and adopt the Charging Policy and Procedure, as set out in Appendix A to the report.

3. Financial, Legal, Policy and Risk Implications

Financial

- 3.1 The Charging Policy and Procedure will facilitate a holistic approach to setting fees and charges at Redditch Borough Council. A comprehensive summary of the financial implications are set out in the covering report below.

Legal

- 3.2 There are no direct legal implications.

Policy

- 3.3 The Charging Policy and Procedure will constitute a new policy for Redditch Borough Council.

Risk

- 3.4 There is a risk that with formal policy and procedures individuals might not be treated equitably. However, equity of access is addressed in the Charging Policy and Procedure with concessions recommended for particular social groups including; young people less than 16 years of age; full time students; senior citizens in receipt of means tested benefit; people with a disability in receipt of means tested benefit; and individuals on low incomes or in receipt of means tested benefit.

Report

4. Background

- 4.1 Local authorities have a wide range of powers to charge for a variety of services. The revenue generated through fees and charges is an increasingly important source of income for local authorities. However, currently Redditch Borough Council does not have an adopted Charging Policy.
- 4.2 Currently charges are reviewed annually by the Executive Committee. Fees and charges are generally increased in line with inflation. Members have not tended to carry out detailed reviews of charging levels in comparison with the Council's Priorities in part because the volume of information is large and timescales are short.
- 4.3 The Fees and Charges Task and Finish review was initiated in July 2007 to scrutinise the Council's approach to charging. There were a number of overarching objectives for this review:
- a) to assess the contribution charging can make to funding efficiency and the strategic effectiveness of the Council;
 - b) to make recommendations that would enhance the ability of the Council's approach to charging to support the Council's strategic objectives; and
 - c) to examine and recommend ways to manage the impact of charging on equity.
- 4.4 During the course of the review the Audit Commission published a comprehensive report on the subject of local government approaches to charging, which was entitled "Positively Charged: Maximising the Benefits of Local Public Service Charges" (January 2008). This report revealed the multipurpose use of charging: as a source of income to pay for services; as a method for encouraging particular patterns in the use of services and as a significant policy instrument that can help a local authority to achieve its strategic objectives.
- 4.5 The Fees and Charges Task and Finish Group agreed that it would be useful to develop a Charging Policy for Redditch Borough Council to enable the authority to work strategically to meet its core priorities in the manner outlined by the Audit Commission. During the course of their review Members scrutinised the contents of other local authority Charging Policies and identified examples of best practice. Finally, the Group agreed the contents of the Charging Policy as set

out in Appendix A to this report.

5. Key Issues

- 5.1 Redditch Borough Council raised £4,814,325 from Council Tax and £3,786,236 directly from the users of its services through charging in 2006/07.
- 5.2 The Charging Policy attached in Appendix A has been divided into two main sections. The first section proposes procedures for reporting information about fees and charges per service level for Members' consideration. The second section contains an overarching policy and principles for charging for activities provided by the Council.
- 5.3 The Charging Policy proposes that Members should receive a Headline Review of Charges on an annual basis. This would contain information about charging arrangements for each service, though not for each activity. The Charging Policy will apply across all Council services and is intended to facilitate a strategic approach to charging.
- 5.4 The Group proposes that the charging principles adopted by each service should be reviewed at least every four years. However, actual charges for each activity will continue to be reviewed annually, when Members receive the fees and charges report that is already provided for their consideration under current arrangements.
- 5.5 There are a variety of charging arrangements for different Council services including: services where no charges are set; charges set by central government; charges set, either by central or local government, at the level of full cost recovery; and charges set at a discretionary level. A number of charges for statutory services are set at a statutory level by central government, such as the land charges fee for a personal search. The Council has no discretion to alter such statutory charges.
- 5.6 There are other statutory service arrangements which are not subject to a statutory charge, such as the proposed fee for pre-application planning advice which was recommended by the Fees and Charges Group at a previous meeting of the Overview and Scrutiny Committee. There is further flexibility available to Councils when charging for discretionary services as these are not subject to statutory fees.
- 5.7 Councils do have the power to set charges differentially so that different service users are charged different amounts. Due consideration has been given to the legal requirements by the Fees

and Charges Task and Finish Group in the development of the draft Charging Policy.

6. Other Implications

- Community Safety - There are no specific community safety implications.
- Human Resources - The Charging Policy and Procedures provide Heads of Service with additional powers over varying charges for particular services “in year”, following consultation with relevant Officers and Members.
- Social Exclusion - Social exclusion is addressed in the Charging Policy and Procedures by reference to equity of access and concessions for certain user groups which are designed to prevent the exclusion of particular social groups.
- Sustainability - There are no specific sustainability implications.

7. Conclusion

The Charging Policy and Procedures clarifies how Redditch Borough Council should, in the opinion of the Task & Finish Group, approach setting fees and charges and should enable the Council to make strategic use of charging in support of the Council’s core priorities.

8. Background Papers

Audit Commission, “Positively Charged: Maximising the Benefits of Local Public Service Charges”, (January 2008).

Babergh District Council, “Strategic Charging Policy”, (February 2005).

Ballymena Borough Council, “Draft (Leisure) Pricing Specification, 2005/06”, (October 2005).

Cherwell District Council, “Charging Policy”, (2008).

Cornwall County Council, “Charging Policy: Charges to Parents”, (2008).

Essex County Council, “Discretionary Services Charging Policy”, (2008).

Fees and Charges Task and Finish Group notes and agenda (Thursday the 10th January 2008; Thursday the 17th January 2008; Thursday the 28th February 2008; and Thursday the 20th March 2008).

The Local Government Act 2003.

Mid Bedfordshire District Council, "Mid Bedfordshire District Council Charging Policy Appendix A", (2006).

Nottingham City Council, "Fees and Charges for Sport and Leisure Parks Services 2007/08", (2007).

Rugby Borough Council, "Draft Medium Term Financial Strategy 2006/11", (2006).

Stockport Metropolitan Borough Council, "Lifelong Learning, Leisure and Cultural Services Scrutiny Committee Charging Policy for Sport and Active Recreation", (February 2005).

Thanet District Council, "Thanet Leisure Force: Your Return is our Reward", (October 2005).

Wyre Forest District Council, "Finance Strategy", (2006).

9. Consultation

Relevant Officers, particularly Officers in the Corporate Management Team, have been consulted by the Fees and Charges Group during the development of the attached Charging Policy and Procedures, and in the preparation of this report.

10. Author of Report

The authors of this report are the Chair of the Fees and Charges Task and Finish Group, Councillor Colin MacMillan, and Jess Bayley (Overview and Scrutiny Support Officer), who can be contacted on extension 3268 (e-mail: jess.bayley@redditchbc.gov.uk for more information.

11. Appendices

Appendix A - Draft Redditch Borough Council Charging Policy and Procedures.

