

## **Appendix F - Fees and Charges**

- 9.1 Local councils are able to charge users for the provision of a wide variety of services. It is important to ascertain the legal position prior to introducing or varying charges as Councils are obliged to provide some services by law (known as mandatory services). For example, currently legislation prevents a local council from making a charge for its domestic refuse collection service and for borrowing a library book, but does allow a charge to be made for a special collection of bulk domestic refuse and for borrowing a DVD from a library.
- 9.2 Where there is no specific legislation relating to the service, the Local Government Act 2003 provides all councils with a power to charge for all discretionary services, where users have a choice whether to use the service or not. Also the 2003 Act states that income generated by individual services, or groups of similar services, must not exceed the cost of providing the service, taking one year with another. Finally, the 2003 Act enables councils to create charging structures to provide different levels of charge to different groups of users, including offering the service free to certain individuals or groups.
- 9.3 The usual definition of a discretionary service is one where the council has the power to provide the service, possibly under the powers of well being provided in the Local Government Act 2000, but where the service is not specifically required to be provided by law. It should be noted, however, that for the purposes of charging, the 2003 Act also enables charges to be made if a council provides a mandatory service above the level of quality required by legislation, as the additional service is defined as discretionary within the provisions of the Act. For example, legislation requires local planning authorities to consider planning applications (an example of a mandatory service where legislation requires a charge to be made), but does not require such authorities to provide pre-planning advice to householders and developers. Where a council does provide such advice, it may charge for the advice under the 2003 Act as it falls within the definition of a discretionary service.
- 9.4 The Council raises approximately £20m of its total income from general fees and charges. Therefore these charges are a crucial funding source for the provision of services and in maintaining the council tax at a reasonable level.
- 9.5 The Council is currently undertaking a detailed review of all fees and charges to ensure that as a Council we understand where full cost recovery is in place for the fees and charges for services we provide. Any significant proposed changes to the charging structure from this review will be reported and seek Cabinet approval.

- 9.6 Under Delegated powers for 2014/15 Strategic Directors can, in consultation with the S151 Officer and the appropriate Commissioner, set rent, fee charges and other income levels provided the change does not:
- Exceed inflation by more than 3% and/or
  - Involve a change in policy, or
  - Potentially have significant political implications.
- 9.7 Any exceptions to this general policy will require specific Cabinet approval.