

# Thurrock Council

## Fees and Charges Policy

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## 1. Introduction

- 1.1. The Local Government Act 2003 gives local authorities power to charge for goods and services under section 93: Power to charge for discretionary services. The Council is therefore able to generate cost recovery income to support provision of services and/or reduce the overall level of expenditure to be met by local taxpayers.
- 1.2. The aim of this Fees and Charges Policy is to ensure that the Council makes use of the powers available to it in order to charge equitable (fair and impartial) fees and charges that are in line with a cost recovery principle. The power to charge for discretionary services under subsection (1) of section 93 of the Local Government Act the is subject to a duty to secure that, taking one financial year with another, the income from charges under that subsection does not exceed the costs of provision.
- 1.3. Charging as an income source can contribute towards the cost of provision of services and the achievement of financial objectives linked to the Medium-Term Financial Strategy.
- 1.4. The aim of the policy is to:
  - Set a clear, flexible, and equitable framework for applying fees and charges to relevant Council services.
  - Maximise income from charges.
  - Provide a defined processes for the setting of fees and charges.
  - Develop standards and procedures for charging in respect of both discretionary and statutory services.
  - Define statutory and discretionary services.
  - Provide a clear basis for charging decisions while also maximising opportunities for innovation.
- 1.5. The Fees and Charges policy is subject to annual review by the s151 Officer.

## 2. Why the Council Charges for Services

- 2.1. Fees and charges represent an important source of income to assist in achieving the Council's objectives in line with the Corporate Plan 2024-2029 – 'A fresh start for Thurrock'. However, the balance between raising additional income to cover costs through fees and charges and promoting access and usage of local services needs to be considered when setting fees and charges. Fees and charges are set on a cost recovery basis, whereby charges levied are based on a full cost recovery principle or a contribution towards the full cost of services provided.
- 2.2. The discretionary fee structure will depend on the overall intention of the service area. Through setting fees and charges at appropriate levels, the Council is exercising its role of stewardship of public funds properly. If income is foregone

without good reason, the burden of funding will transfer to the taxpayer. Thurrock policy is to apply discretional charges if feasible and possible to do so.

2.3. Regarding statutory charges, the law requires specific or implied statutory authority for the making of charges for services. There are very many such provisions in place, some of which contain quite detailed restrictions, while others are more openly worded.

2.4. Fees and Charges:

- Are a vital source of income providing funds to deliver essential public services.
- Assist in achieving Thurrock's objectives for better outcomes for residents.
- Ensure that service users pay directly for some, or all the costs as opposed to taxpayers in general subsidising individuals which can have consequences for the funding of services in general, and/or can cause levels of taxation to be higher than they would otherwise be.

### **3. Factors to be Considered when Setting Fees and Charges**

2.1. The Council's fees and charges fall into 3 main categories:

- Charges set by statute law which are fully outside the Council's control.
- Charges set by statute law where the amount charged has to be within certain parameters.
- Charges that are discretionary and therefore within the Council's control in determining the amount that should be charged.

*There may also be charges levied by partners in cases where services are commissioned.*

2.2. The first step when setting fees and charges is to decide whether the Council should provide the service. Many of the services the Council charges for are required by statute. However, others are discretionary, and consideration should be given to whether providing the service is the best way of meeting the Council's objectives, especially if the Council will not recover its costs. The risk of the Council making a loss must be considered when deciding whether the service should be provided and the fee or charge that should be levied.

2.3. The following considerations should be observed when setting fees and charges:

- Some categories of income will be influenced by wider factors such as the economic climate impacting on demand for services.
- The general market conditions, such as what services already exist, the benchmark against comparator services, the reason for the service and what it is trying to achieve.
- How the public are likely to respond to the charge both reputationally and regarding expected take up of services as a result.

- The principle of cost recovery alongside the other considerations.
- Other non-financial benefits such as encouraging certain behaviours and community benefits.
- The risk of not providing a service, for example if the service is preventative in nature.
- The structure of fees and charges and the pricing structure that would best fulfil the needs of the business whilst providing maximum benefit for our residents, as evidenced by available data.

#### 4. Administration

- 2.5. Charges should be simple to understand and to administer. They should be easily located by service users through the Council's website, through any other form of literature provided, or directly from Council services or establishments.
- 2.6. Where possible reasonable notice should be given to service users before any new or revised charges are implemented. In general, at least a month notice should be given if possible, and consultation should take place where possible and feasible to do so.
- 2.7. For discretionary services, unless otherwise treated and justified, an annual uplift will apply which will be a % uplift based on CPI on 1 September plus an agreed additional %. This will be the backstop position.
- 2.8. If the standardised approach to uplifts cannot apply (for example where there are market reasons for an alternative approach) this will need to be clearly demonstrated and exceptions agreed by the relevant Executive Director.
- 2.9. For any fee or charge over £15 the policy is to round up or down to the nearest £1.
- 2.10. Fees and charges less than £15 in value will be rounded up or down to the nearest 5p. This may result in percentage changes that are outside of policy where low level monetary fees and charges still result in relatively high or low % changes. For example, if a 25p charge were to increase by 5p this results in a 20% increase, which is low in monetary terms but high in percentage terms. In these instances, local discretion will apply with the final changes to fees and charges schedules being signed off by the relevant Executive Director.
- 2.11. Methods of payment should be as flexible and convenient as possible and take into account the needs of those on low income and people's ability to pay and make best use of available payment systems and methods.
- 2.12. Consideration should be given to payment in advance, which should be the preferred means of recovery wherever possible.
- 2.13. Where payment in advance is not possible, frequency of payment should have regard to the demographic particularly with regard to those on low incomes.

- 2.14. Format of payment should be as automated as possible and consider the costs of collection.
- 2.15. Charging policy will need to align with relevant policy and financial procedure rules regarding the collectability of the income and debt recovery.
- 2.16. The scheme of delegation states; Officers are not authorised to change fees, charges, or concession policies, save that Officers may: (a) apply inflationary increases to fees, charges, and concession policies; (b) determine fees for one-off events or activities; and (c) determine the fees to be charged to other public bodies for services provided by the Council on a commercial or full-cost recovery basis.
- 2.17. Annual changes to fees and charges shall be taken to the relevant DMT for approval before being finalised and published.

## **5. Principles**

- 2.18. The Fees and Charges Policy establishes the Council's key principles in relation to charging. These principles should be adhered to by all directorates, with any deviations from the charging principles requiring appropriate approval. Such principles are reflected in any local, service-based charging policies. This policy sets out a number of principles that will generally apply to services for which the Council has discretion over the level of charging, rather than services where charging is prevented or where charges are required to be set within statutory limits.
- 2.19. The key principles are that fees and charges should:
  - i. contribute to the achievement of corporate and service objectives
  - ii. maximise potential income
  - iii. be capable of being justified
  - iv. be benchmarked against comparable services, where possible
  - v. take account of the ability of service users to pay, and be structured accordingly
  - vi. be informed and consider appropriate consultation
  - vii. maximise the ease of collection of and minimise the costs of collection
  - viii. be regularly reviewed at least once a year

## **6. Legal Basis**

- 2.20. Any charge that is implemented must be in line with the relevant legal requirements. The legal basis for implementing a fee or charge is arrived at either through a specific statutory legislation relating to the particular service, or through discretionary powers under the Localism Act 2011 or s93(1) Local Government Act 2003. Where a service specific legislation does not empower charging then Thurrock can rely on the above legislation to charge for discretionary services.

- 2.21. It is the responsibility of the services that own the fees and charges to ensure that published fees are up to date and correct. Any statutory charges that miss the annual review timeline should be updated as soon as appropriate. Any discretionary charges should be updated as soon as practicable once the relevant authority is in place.
- 2.22. The following summarises the main limitations which will be taken into consideration before introducing or amending a charge when Thurrock employs its powers to charge for a discretionary service:
- There must not be a legal restriction on charging.
  - The charging powers only apply to discretionary services against which there is no pre-existing power to charge.
  - Charges for discretionary services not operated commercially must be set so that income does not exceed the cost of provision.
  - The service user must be informed of the charge before it is levied.
  - Where a service is being provided under statutorily defined limits, any enhanced provision beyond statutory requirements could be considered to be discretionary and can therefore be charged for in line with the requirements of this policy.

## **7. Roles and Responsibilities**

- 2.23. Officers are responsible for ensuring fees and charges are set in accordance with this policy and in line with the principles therein. Officers must review all charges for which they are responsible for on at least an annual basis as part of the budget setting process, in conjunction with Finance.
- 2.24. The Chief Finance Officer (s151 Officer), following consultation with the Lead Member Resources and the relevant Portfolio Holders, will be authorised to amend discretionary fees and charges in year in line with the relevant delegated authority.

## **8. Charging Categories and Concessions**

- 2.25. Charges should be set at a level to maximise both take-up and income generation, covering the full cost of services wherever possible. Differential charges can be used to dampen demand at peak times and increase revenue from spare capacity.
- 2.26. There may be circumstances where income generation is not the key driver for the way in which prices are set, for example where the Council wishes to manage demand, deter, or incentivise certain behaviours such as encouraging re-cycling or issuing fines. The general fees and charges principles should still apply to any such charges.

## 9. Equality Impact Assessment

- 2.27. Under Section 149 of the Equality Act 2010, the Council has a duty when exercising its functions to have 'due regard' to the need to eliminate discrimination and other conduct prohibited under the Act and advance equality of opportunity. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation. The purpose of the duty is to enquire into whether a proposed decision disproportionately affects people with a protected characteristic.
- 2.28. Before the Council exercises its fees and charging powers, the impact on individuals or groups of individuals who share a protected characteristic must be carefully considered and properly factored into the decision-making process.