

Westmorland and Furness Council Fees and Charges Policy

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1.0 Introduction

- 1.1 An important element of the overall funding of the Council's services is the ability to raise revenue from fees and charges.
- 1.2 The overall aim is to ensure that the proportion of income raised from users of discretionary services meets the full cost of these services, rather than the costs falling on Council Taxpayers in general.
- 1.3 For some services, criteria may be set to apply concessions and other discretionary reductions in fees.
- 1.4 Due to the implementation of Local Government Reorganisation in Cumbria, this policy represents Westmorland and Furness Council's first Fees and Charges policy, effective from 1 April 2023, and will replace the Fees and Charges policies previously in place with the respective sovereign Councils.
- 1.5 Fees and charges play a key role in furthering service and strategic objectives and they should be considered and reviewed regularly. This should include the appropriateness and adequacy of the level of charges in force or being proposed.
- 1.6 This should be done within a general policy framework, which in turn should be carried out within the framework of the Council's service and budget planning process.
- 1.7 Services must provide a schedule of fees and charges for the forthcoming year as part of the annual budget process. For 2023/24 a fees and charges schedule will be published on the Council's website by 1 April 2023.

2.0 Purpose

- 2.1 The purpose of this policy is to establish a framework within which the fees and charges can be levied and regularly reviewed.
- 2.2 The aim of this policy is for Cabinet to agree a charging policy and confirm the principles that the Section 151 Officer in consultation with the relevant Directors will apply. The policy allows the Council to have a properly considered, consistent and informed approach to all the charges it sets. This will support the delivery of the Council Plan and annual budget decisions.
- 2.3 The setting and review of fees and charges is part of the Council's annual budget setting process. 2023/24 includes harmonisation principles applied across the former district services; for all subsequent years the changes applied to fees and charges for the forthcoming financial year will be presented for approval, as part of the budget report, to Full Council each year.
- 2.4 For clarification, the changes will include the relevant inflation factor applied to price increases and any changes or exceptions to this increase due to market conditions etc.

3.0 Scope

- 3.1 Councils cannot charge for all the services that it provides. They cannot charge for services that they have a statutory duty to provide.
- 3.2 This policy applies to the setting and review 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.

4.0 Background - legislation

- 4.1 Section 3 of the Localism Act 2011 allows Councils to charge for discretionary services offered under their general power of competence and sits alongside the powers already available under Section 93 of the Local Government Act 2003.
- 4.2 Discretionary services are those which an authority has the power to but is not obliged to provide.
- 4.3 Additions or enhancements to mandatory services above the standard that a Council has a duty to provide may be provided as discretionary services.
- 4.4 The Act introduced the following key points:
- Councils are under a duty to ensure that, taking one year with another, the income from charges do not exceed the costs of provision
 - The recipient of the discretionary service must have agreed to its provision and agreed to pay for it
 - Charges may be set differentially, so that different people are charged different amounts.
- 4.5 When determining the charge for services, the legal basis for charging needs to be clear, as well as considering the wider equalities implications which may be involved affecting accessibility of all groups to council services.

5.0 Charging Models

- 5.1 Generally, services fall into six main categories for charging purposes. These categories are set out in the Table 1:

Table 1: Charging Models

Category	Objective
Full cost recovery	To maximise revenue with an overall objective of recovering the full cost of provision, including overheads and capital charges
Full cost recovery with concessionary discounts	As above, but with discounted concessions being given to enable disadvantaged groups to access the service
Subsidised	Widely accessible but users should make some contribution to the service
Nominal	The Council wishes the service to be fully available but sets a charge to discourage frivolous usage
Free	To make the service fully available at no charge
Statutory	Charges are set in line with legal obligation

6.0 General Principles

- 6.1 In general terms, it is the Council's policy that a charge should be levied for all discretionary services in accordance with this policy, unless there is a good reason why an exception should be made.
- 6.2 Primarily, responsibility rests with Directors to take appropriate action in relation to fees and charges levied for services.
- 6.3 In establishing new charges, the basis and extent of any discounts or concession, or considering changes to existing charges, the relevant Directors will have regard to advice and guidance set out in this policy.
- 6.4 For existing charges, there is to be a general policy presumption that the levels of fees and charges should rise, each year, in line with the rate of inflation, as determined as part of the budget planning process.
- 6.5 General changes to fees and charges in line with inflation, would be approved as part of the budget setting process. On an exception basis where, following review, changes are proposed other than in line with inflation then these would also be approved as part of the budget setting process.
- 6.6 Consideration should be given, and advice sought where required, in relation to the need for an Equality Impact Assessment for any significant changes to existing fees and charges or the introduction of new fees and charges.

7.0 Local Government Reorganisation (LGR)

- 7.1 Due to the implementation of LGR in Cumbria, fees and charges within the previous District Councils have been reviewed to establish where it is appropriate to adopt a harmonised rate, effective from 1 April 2023.
- 7.2 As part of the review, fees and charges were categorised and associated principles approved by Members at the Shadow Executive meeting on 11 November 2022,

as detailed in the Fees and Charges Harmonisation report presented at the meeting.

7.3 The relevant categories and approved principles/decisions, is presented in the following table:

Table 2: Fees and Charges Categorisation and Principle/Decision

Category	Description	Principle/Decision
1	Fee/charge set in line with legal obligations	Charges are set by statute so we will adopt the new charge set (Often not notified till March/ April)
2	Fee/charge presenting a mix of charging and no charge by sovereign councils	Charges have been reviewed and where possible harmonisation has been implemented. Where a wider review of harmonisation of service provision is required the decision to harmonise charges will be taken as part of that review and introduced in 2024/25.
3	Services dependant on their geographical location	No change – no harmonisation from Day 1 Review in 2024/25.
4a	Marginal differences in current rates	Where the average provides for less than a £30 and 30% shift Harmonise to the average fee for all
4b		Where the average provides for more than, both a £30 and 30% shift No change – keep separate fees with no harmonisation from 1 April 2023. Review in 2024/25

5	Wider range in current rates and/or different basis of charging	No Change – no harmonisation proposed in 2023/24
6	Different levels of service	Where a wider review of harmonisation of service provision is required the decision to harmonise charges will be taken as part of that review and introduced in 2024/25.
7	Concessions and discounts currently applied to services by some sovereign Councils	Concession continued for 2023/24.

7.5 A harmonised rate for those services identified within category 4 has been achieved by taking an average of the sovereign Council's rates, and then raised to reflect inflationary increases, at 10%. As significant changes will not be made to the delivery of services from 1 April 2023, the average fee will be in line with the aggregated cost of providing the services from Vesting Day, prior to any transformation.

7.6 Where fees and charges are not being harmonised from 1 April 2023, the Council is committed to harmonising fees and charges where it is appropriate to do so, as soon as is practicable. For those fees and charges which have not been harmonised from 1 April 2023, separate rates between the areas of Westmorland and Furness Council will be in place. These will be reviewed within 12 months, in conjunction with service planning and transformation strategies. Any proposals will form part of the annual budget setting process or be subject to the in-year changes process.

7.7 It is recommended that where service transformation is undertaken after 1 April 2023 that an Equality Impact Assessment is developed as part of this process, including the review of any changes to fees and charges.

7.8 As part of the harmonisation review for 1 April 2023 an Equality Impact Assessment – Screening has been carried out and is available as an appendix to the overall budget report at Appendix G.

8.0 New Fees and Charges Proposal

8.1 Proposals for new fees and charges must be considered within the service and budget planning process, which result in a change in policy, shall be submitted to Cabinet for approval as an in-year change.

8.2 Reasonable notice should be given to service users before any new charge is implemented, together with clear advice on discounts or concessions available.

- 8.3 The effects of any new charge on service usage and income generated will be monitored regularly over the first 12 months and reviewed within the next service and budget planning process.

9.0 Discounts and Concessions

- 9.1 There will be some circumstances where it may be appropriate to consider offering discounts or concessions in relation to particular activities or customer groups on a basis which is consistent with achieving the Council's overall objectives. Specific points to consider when establishing or reviewing the level of any discount or concession offered for a particular service include:

- Are we benefiting local residents?
- Can a discount policy contribute to wider policy objectives aimed at maximising access to services from among disadvantaged groups?
- Is the policy to target specific groups with discounts still valid?
- Are there other groups that should be considered for discounts?

- 9.2 In some circumstances discounts may not be appropriate, and in all cases, it will be necessary to carefully consider the impact on income before introducing discounts or concessions to service areas which do not currently offer them.

10.0 Reviewing of Fees and Charges

- 10.1 Service Managers must consider charging policies and current levels of fees/charges each year as part of the service and budget planning process. As indicated earlier, the assumption is that they will be maintained in real terms over time and increased in line with inflation annually.

- 10.2 Any source of income with an annual budget in excess of £250,000 per annum should be subject to detailed review annually within the service and budget planning process.

- 10.3 Sources of income with a budget of less than £250,000 per annum should be subject to a detailed review over a minimum three year period.

- 10.4 Where there are any significant changes during the course of a year, such as costs, market forces, service levels or delivery, which materially affect current charge and revenues, then that charge should be reviewed, and any proposed changes considered in line with the in-year changes approval process.

11.0 Collection of Fees and Charges

- 11.1 Wherever it is reasonable to do so, fees/charges should be collected in advance or at the point of service delivery.

11.2 Where fees/charges are to be collected after service delivery has commenced, invoices will be issued promptly, and as necessary appropriate recovery procedures should be followed.

12.0 Recording of Fees and Charges

12.1 Each service area should maintain a schedule of fees and charges levied. This schedule should include, but identify separately, those charges where there are national/external procedures or other specific procedures for determining and reviewing rates of charge. In all cases, however, the schedule should include:

- The basis of the charge
- Current rates of charge (indicating if Vat is included or excluded)
- Estimated revenue income in current year

12.2 When the charges are being reviewed as part of the service and budget planning process:

- Proposed increase
- Percentage increase
- Proposed rate of charge
- Effective date for increase
- Estimated revenue in full year

12.3 The Directorates should also maintain records of service users who receive a discount or concession.

12.4 This will assist with the proper consideration and approval of fees and charges and subsequent changes, through the service and budget planning process.