



Dacorum Borough Council

Fees and Charges Strategy

Introduction

The Strategy has been developed on the basis of evidence from the review of fees and charges. Each of the user charges made by the Council has been identified as either statutory, Cost Related or Discretionary and the approach to future setting of fees and charges is described below.

Statutory Charges

Statutory charges are outside of the Council's control. However, it should be noted that for the purposes of budgeting and medium-term financial planning, income will be assumed to increase in line with the prevailing rate of inflation (measured by RPIX).

Additional income from higher fee increases, or additional user volume, will be used to support increased expenditure arising from service development or lower income in other areas within the same service.

Lower income generation (from fee increases below inflation or reduced user volume) will need to be funded from expenditure reductions or additional income from other areas within the same service.

Cost Related Charges

For those services which are statutory, but where the charges are not prescribed, the Head of Service is able to set the charge by reference to the cost of service provision.

In these areas e.g. Building Control, Public Entertainment Licences, Land Charges, etc. constraints exist where the charge must be set only to cover the cost of the service.

Discretionary Charges

Discretionary services are defined as those that the Council is authorised but not required to provide.

Charges for services provided under authority of statute (other than the 2003 Act), should be set with reference to the cost of service provision and in accordance with the provisions of the legislation.

Charges for new discretionary services under the 2003 Act, can be set to recover costs including overheads, but not to make a surplus.

If a service is provided with the intention of raising revenue, a local authority trading company must be set up under the advice and guidance of the Section 151 Officer.

General

All fees and charges levied should have due regard to existing regulations and delegations of responsibility.

When setting fees and charges, consideration must be given to the cost of collecting and enforcing the debt. In respect of discretionary services, the Council's preferred method of collection is advance payment or Direct Debit.

In cases where this does not occur, and there are no statutory barriers to do so, the cost of administering other payment methods should be considered for inclusion in

the charge. In so doing, those customers that chose to pay by expensive methods (e.g. cash or standing order), contribute to the cost of processing their remittances. Conversely, those who pay in advance or by Direct Debit, will get better value from the efficiency offered by these collection methods.

Where possible, large fluctuations in charges are to be avoided.

Heads of Service (now referred to as Assistant Directors and Group Managers) should review proposed fee levels in consultation with the Portfolio Holder.

All fees and charges should be considered as part of the service planning and annual budget setting process and reported to Overview & Scrutiny Committees.

Where decisions on increases in fees and charges are taken outside the budget process (e.g. where there is a statutory regulation or a duty of consultation) due regard must be given to the Medium Term Financial Plan. Reports to Cabinet must clearly state the financial implication of any budget shortfall and that these will be funded within the service area when the budgets are prepared.

Managing the Fees & Charges Strategy

In accordance with Audit Commission recommendations, the Council will:

- undertake regular reviews of the approach to charging, both within service areas and across the whole council
- engage service users and taxpayers in decisions about whether and at what level to charge for services
- collect and use information on service usage and the take-up of concessions, and examine the impact of charges on individual households, to assess whether equality and diversity objectives have been achieved.

A full review of the method of overhead cost allocation will be undertaken to ensure appropriate charging mechanisms are being used to support end user charges.