

FEES AND CHARGES

POLICY AND FRAMEWORK FOR THE SETTING OF FEES AND CHARGES ACROSS ESSEX COUNTY COUNCIL

Policy name
Author:

Fees and Charges 2014/2015
Financial Services

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1. Corporate fees and charges policy

- 1.1. **All service lines are required to assess the appropriateness of levying fees and charges on the services that they provide (with the exception of services provided internally to customers within Essex County Council). This decision, once made, needs to be reviewed and re-assessed, on an annual basis, in line with the policy statements set out in this framework and in consultation with the appropriate cabinet member(s). A record of the decision should be made using the template attached in Appendix A of this policy.**
- 1.2. The following policy statements set out the framework within which all services within the scope of this policy must comply with regard to setting fees and charges. Further supporting information for each policy is included within the main policy document and referenced, as appropriate, in the table below.

Policy Statement	Reference to Framework
1. <i>Effective date of policy</i> This policy is effective from 20 th November 2014, following approval from Cabinet.	4.1
2. <i>Scope of policy</i> This policy applies to all services provided by the Council where charges may lawfully be applied and the annual forecast recoverable expenditure of a service meets or exceeds £250,000, although the principles of the policy can be applied to those areas of expenditure under this amount.	4.2
3. <i>The roles and responsibilities set out in Appendix B must be adhered to with regard to fees and charges:</i> Appendix B sets out the required roles and responsibilities associated with: <ul style="list-style-type: none">• The governance for introducing or amending charges• Management and monitoring of fees and charges• Annual review of fees and charges	4.3
4. <i>All services should be charged for, in line with the requirements of this policy , where permissible, appropriate and practicable</i> All services should be charged for unless they meet one or more of the following: <ul style="list-style-type: none">• It is not lawful to apply a charge or there are other limitations on charging (section 4.4.2 summarises the legal framework for charging)• It does not support Corporate Objectives / Outcomes	4.4

	<ul style="list-style-type: none"> to charge It is impractical or inappropriate to apply them, for example, in cases of genuine hardship or need for information 	
5.	<i>The rationale for charging, or not to charge, must be set out in a clear statement of intent</i>	4.5
	The statement included in Appendix A to this document must be completed for all services explaining the rationale, and the implications, of the decision to charge or not to charge.	
6.	<i>Where charging is to be introduced, there must be a clear statement of the service delivery objectives to be achieved from that charging policy</i>	4.6
	The statement included in Appendix A to this document must be completed explaining the service delivery objectives to be achieved from the charging policy.	
7.	<i>Charging levels should ensure full cost recovery unless a decision has been made to trade commercially with another public body or operate commercially through a company or cooperative, or unless one, or more, of the following criteria are met:</i>	4.7
	<ul style="list-style-type: none"> a. it is not legal to do so b. it does not support Corporate Objectives / Outcomes to charge c. market conditions will not sustain charges at that level; in this case, however, there must be clear justification for supporting the service, in part, through council tax. d. a public body is being charged, which means that full cost recovery can be exceeded where this is provided through an agreement or contract. 	
8.	<i>Charges will be subject to annual inflation where permissible</i>	4.8
	<p>Charges should normally be increased by the forecast rate of increase in the Consumer Price Index (CPI) annually, based on the HM Treasury forecast CPI applied for the budget setting process (usually published in November), for the relevant year unless:</p> <ul style="list-style-type: none"> a. This would mean that the service does not comply with the cost recovery policy statement above b. Market prices would suggest that this is not sustainable or an alternative inflation measure can be demonstrated to be more appropriate c. This increase would not meet Corporate Objectives 	

9. <i>Charges should normally be set annually with indicative charges being set a second and third year</i>	4.9
Unless there is a justifiable reason for not doing so, charges should be set for a minimum three year period, to provide transparency to service users and to support service and financial planning.	
10. <i>The appropriate level of VAT must be applied to all charges</i>	4.10
Ensure that the VAT guidance issued by the Executive Director for Corporate and Customer Services is complied with (i.e. to ensure that the correct liability is attached to all income due and that all amounts recoverable on purchases can be claimed).	
11. <i>Fees and charges decisions must be underpinned by the appropriate approvals</i>	4.11
<p>All new or amendments to fees and charges should be considered as part of the annual budget process and subject to the approvals as defined by the Council's constitution. Policy statement 3 sets out the roles and responsibilities for the respective approvals required for decisions made with regard to introducing or amending fees and charges.</p> <p>In exceptional circumstances it may be necessary for fees or charges to be amended mid-year. In such cases, the exceptional approval process must be adhered to, as set out in Appendix D.</p>	
12. <i>Charges should be transparent to customers and other stakeholders</i>	4.12
<p>Any proposed fees and charges must be communicated through appropriate channels to service users within a reasonable notice period together with details of how to access any concessions or discounts that may apply. Reasonable notice is deemed to be not less than 1 month for discretionary services; statutory services should apply the consultation requirements, as appropriate, as set out in the statutory guidance</p> <p>Prior to implementation, or amendment of fees and charges, consultation should also be undertaken, where appropriate, with community planning partners, residents and other stakeholders over proposed charges. In addition, the proposed charges will be subject to a local equalities impact assessment. This does not normally apply to an annual price increase which is broadly in line with the consumer prices index.</p>	

13. <i>Income from fees and charges should be administered to ensure ease of collection and comply with the debt recovery policy</i>	4.13
Charges should be administered to maximise ease of collection of charges and minimise the costs of collection, considering both the Council and the service user perspective, in order to optimise the likelihood of collection.	
14. <i>Income from fees and charges must be monitored regularly</i>	4.14
Regular monitoring of the effects of any new charges or change in charging approach must take place, as a minimum, over the 12 month period following their implementation. The impact of the charges should be reported, by exception, to the Head of Service, where monitoring indicates any adverse impacts, including, but not limited to, impact on policy and the reputation of the Council.	
Performance monitoring should also be undertaken regularly to ensure service take-up and income reflect budgeted levels. Any significant variance should be reported through the budget monitoring and forecasting process.	
15. <i>All charges should be reviewed annually to consider the appropriateness of the services being charged for and price that is being levied</i>	4.15
All fees and charges should be reviewed annually by the Head of Service, in alignment with the annual budget setting timetable and at the latest by the 31 st October for the forthcoming financial year.	
The template in Appendix A should be completed or updated as part of this review.	
16. <i>A database consolidating the detail for fees and charges applied by the Authority is required to be maintained by the Funding and Investment Team in Financial Services</i>	4.16
A comprehensive database of fees and charges levied across the Council will be maintained by the Funding & Investment Team within Financial Services. This database will provide a single reference point for queries on the fees and charges levied.	
17. <i>All documentation associated with the setting and levying of fees and charges should be retained as a minimum for the period over which the charges are levied plus three years.</i>	4.17
Documents should be retained in a format that can be made accessible to all stakeholders, including customers or	

service users, on request.

Local service retention policies may require documents to be retained over a longer time period than this.

2. Introduction

- 2.1. The purpose of this document is to establish the corporate charging policy for setting and refreshing all fees and charges applied by Essex County Council (ECC) for the supply of goods and services. This is a requirement of the Authority's [Financial Regulations](#) which state the following:

Charging policies

Executive Directors will establish a charging policy for the supply of goods or services and, in consultation with the Executive Director for Corporate and Customer Services, review it annually as part of the corporate planning process. An annual statement on fees and charges will be taken to Cabinet, and then to Council, in alignment with the budget setting timetable.

On an exceptional basis, alternative timeframes will be considered in agreement with the Executive Director for Corporate Services.

- 2.2. The Council seeks to optimise the funding it secures to deliver its services using different sources of funding and seeks to ensure the ongoing financial sustainability of service provision. Fees and charges are a key element of the funding strategy for the provision of services. The Council will assess the levying of fees and charges on its services as part of the annual budget setting process. This will be coordinated in a consistent manner across all service lines.
- 2.3. This document sets out the framework within which fees and charges levied by the Council are agreed and regularly reviewed within the annual budget process and with regard to the overarching objectives of the Council. It embeds an expectation of fairness and transparency in charging and level of charges; plus, ensuring that where chargeable services are being subsidised through other means that this is a result of a clear decision.
- 2.4. The Operations Board will have responsibility for monitoring the on-going impact following the implementation of this policy; initially six monthly for the first year and annually in subsequent years. The review will be aligned to the annual review of fees and charges required within this policy.

3. Summary of considerations to be made prior to introducing or amending a fee or charge

- 3.1. When planning to introduce or amend a charge, the charging principles set out in this corporate policy must be taken into account. Any new or amended charges should have clear charging aims, and should identify whether:
- 3.1.1. they are intended to recover the full cost of discretionary services (i.e. where legislation and guidance allow), including a contribution to the costs of the Council's Corporate and Democratic Core activities and its

Non-Distributed Costs. Any charges varying from this policy must be justified in a transparent manner and aligned to corporate priorities and outcomes.

- 3.1.2. any charging concessions will be offered and, if so, what these are and who will be eligible for these concessions.
- 3.1.3. charges are set to generate or contribute to the resources for service improvement.
- 3.1.4. charges are being set to encourage take-up of the service (e.g. introductory offers).
- 3.1.5. any differential pricing structures will apply (e.g. lower rates for local residents, different age groups, students or for charitable organisations etc.).
- 3.1.6. discounts will be offered for prompt payment, or for payments made in advance of service provision.
- 3.1.7. any unrecovered costs are to be met through Council Tax or by another means. The financial consequences of any subsidy must be clearly set out.
- 3.2. The charging policy should also detail the price setting methodology, the scale of charges that will apply for the forthcoming financial year and the basis upon which price increases will be determined and when.
- 3.3. The template included in Appendix A should be completed when seeking to introduce or amend charges. In completing the template, the policy statements set out below must be adhered to.

4. The Policy Framework

4.1. Policy Statement 1: Effective date of the policy

- 4.1.1. The policy is effective from 20 November 2014 following approval from Cabinet.

4.2. Policy Statement 2: Scope of policy

- 4.2.1. The purpose of this statement is to set out the scope within which this policy should be applied across all service areas.

This policy:

- 4.2.1.1. applies to all services where the potential annual forecast recoverable expenditure exceeds the de minimis of £250,000 annually, although the principles of the policy can be applied to

those areas of expenditure under this amount; the de minimis is reached in the following circumstance:

- where the current year expenditure budget allocated to a cost centre, or the associated prior year actual expenditure, against which income can be legally recovered, meets or exceeds £250,000 annually.

and,

4.2.1.2. applies to all services provided by the County Council, or parties acting on its behalf, where charges may lawfully be applied and the de minimis identified in 4.2.1.1 is exceeded.

4.2.1.3. applies to all services where the de minimis identified in 4.2.1.1 is exceeded, which apply fees and charges, irrespective of the means used for charging, for example:

- Charges at the point of sale or admission
- Fees paid in advance for receiving services, e.g. meals on wheels
- Services billed for, in arrears, after they have been provided

4.2.1.4. for the avoidance of doubt, also applies to the County Council's traded services, for example, those traded services provided to schools and other public sector bodies. Traded Services must also take into account any additional guidance regarding the financial treatment of Trading Activities that may be published by Financial Services.

4.2.1.5. does not apply to services provided to internal Essex County Council customers where costs are recharged.

4.2.2. It should be noted that, whilst this policy incorporates an annual de minimis of £250,000 as set out in 4.2.1.1 above, all service areas must still comply with the approvals framework for Fees and Charges as set out in the Council's Constitution.

4.2.3. With regard to statutory services where service levels are provided above the minimum defined statutory requirement, the additional service should be treated as discretionary for the purposes of this policy. In these circumstances, the discretionary element would be subject to the de minimis set out above.

4.3. Policy Statement 3: The roles and responsibilities that must be adhered to with regard to fees and charges

4.3.1. The table in Appendix B summarises the roles and responsibilities that are involved in the introduction or amendment of fees and charges, plus the management and governance of the associated policies to ensure the decision making is appropriate and transparent.

4.4. Policy Statement 4: All services should be charged for, in line with the requirements of this policy, where permissible, appropriate and practicable

4.4.1. The purpose of this policy statement is to ensure that all charging complies with the legal framework for charging but also take into account other limitations to charging; both of these issues are explored further below.

4.4.2. Legal Framework for Charging

4.4.2.1. The legislative framework for charging is complex and services must ensure that any charges that are applied meet the current legal requirements.

4.4.2.2. Charges for statutory services are only permissible where this is supported by legislation. In these circumstances, the charges applied must adhere to the limitations set out in the legislation or associated guidance.

4.4.2.3. The Local Authorities (Goods and Services) Act 1970 gives local authorities the power to enter into agreements with other local authorities and certain public bodies for the provision of goods and administrative, professional or technical services.

4.4.2.4. There law allows us to charge for discretionary services. Some services (e.g. country parks) has its own legislation which allows charging. Where service specific legislation does not empower charging then the Council can rely on the following legislation to charge for discretionary services:

- *Localism Act 2011: General Power of Competence*
- *Local Government Act 2003: The Power to Trade and the and Discretionary Charging Powers*

4.4.2.5. The Acts stated above introduced powers to charge for discretionary services that can be applied by the Council; additional guidance should be sought with regard to the specific requirements of the Acts, but the following summarises the main

limitations which must be taken into consideration before introducing or amending a charge:

- 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.
- If the power is to be used to operate a service commercially on a traded basis then it must be provided through a UK registered company or cooperative. The guidance that accompanies this policy incorporates the trading framework that supports the development of the commercial offer; these should be borne in mind when considering this option.
- Charges for discretionary services not operated commercially must be set so that income does not exceed the cost of provision. This must be calculated, in taking one financial year with the next, the income from discretionary charges must not exceed the cost of provision. The intention of the power is not that local authorities make a profit, rather that they are able to recover their costs.
- In setting discretionary charges, the function may charge only some service users and may make different charges to different groups of service users, provided that the cost recovery limitation is observed.
- The service user must have agreed to the charge before it can be applied. Where charges are to be collected after services have been provided it is important that evidence of customer consent is obtained, otherwise any outstanding debt may be unenforceable. This can be done by the clear display of signs or the use of written agreements.

4.4.2.6. An important point to note with regard to the powers to charge and trade is that whilst these are limited to discretionary services, 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.

4.4.3. Additional Limitations on Charging

4.4.3.1. In addition to the statutory restrictions on charging, there will also be economic limitations on how much new income may be generated from charges:

- The level and structure of charges already being made by the Council may limit the potential to generate additional income.
- Where there are alternative providers of the service, excessive charges by the activity could be counterproductive, as customers will use the cheaper alternative providers.
- Some categories of income will be influenced by the general level of economic activity (e.g. such as the housing market and the rate of new housing development) and others will be affected by clients' personal circumstances.

4.4.4. There are risks, too, in applying a proactive approach to charging:

4.4.4.1. Public or commercial competitor resentment if the Council has a monopoly on providing the service.

4.4.4.2. Because Council Tax is a highly visible tax, residents may already feel they have been charged through their council tax and that high additional charges are a form of double taxation.

4.4.4.3. Fees and charges income is not a stable funding source.

4.4.4.4. Increased charges may be regressive (more of a burden on those with low incomes).

4.4.5. All of these factors must be considered when setting fees and charges.

4.5. **Policy Statement 5: The rationale for charging, or not to charge, must be set out in a clear statement of intent**

4.5.1. The corporate charging policy is intended to create a consistent and transparent approach to charging across council services. The intention of this statement is to ensure that the reasons for implementing fees and charges (and equally amending charges or decisions not to charge) are clear and are aligned with corporate priorities and outcomes.

4.5.2. The statement included in Appendix A to this document must be completed for all services explaining the rationale, and the implications, of the decision to charge or not to charge.

4.6. Policy Statement 6: Where charging is to be introduced, there must be a clear statement of the service delivery objectives to be achieved from that charging policy

4.6.1. Each charging policy must have clear service delivery objectives linked to supporting the achievement of corporate priorities and outcomes.

4.6.2. The following sets out the potential outcomes from Charging that must be considered in establishing the rational and objectives of charging:

4.6.2.1. supporting the achievement of corporate priorities and outcomes

4.6.2.2. meeting statutory obligations where the use of charging is permissible and appropriate

4.6.2.3. providing and sustaining services that otherwise may be subject to reductions or non-provision

4.6.2.4. assisting in alleviating budget pressures and to ensure that the council is not subsidising services where there is not a clear policy decision to do so

4.6.2.5. supporting services which provide direct benefits to identifiable groups. In general, services which benefit the entire Essex community should be funded through general taxation rather than charging, as this may be more efficient.

4.7. Policy Statement 7: Charging levels should ensure full cost recovery unless a decision has been made to trade commercially with another public body or through a company, or unless one, or more, of the following criteria are met:

- it is not lawful to do so (see section 4.4.2 above)
- it does not support Corporate Objectives / Outcomes to charge; or
- market conditions will not sustain charges at that level; in this case, however, there must be clear justification for supporting the service, in part, through council tax
- bodies covered by the Local Authorities (Goods and Services) Act 1970 are being charged, which means that full cost recovery can be exceeded where this is provided through an agreement or contract.

4.7.1. Ensuring full cost recovery means that the delivery of the service does not place an additional burden on the authority's funding envelope, particularly with regard to Council tax.

- 4.7.2. Where charges must be set not to exceed full cost recovery, future year charges should be set as indicative to enable them to be amended to take into account over or under-recovery of income from the previous year.
- 4.7.3. For a service to operate commercially, either under the general powers of competence or the power to trade (see section 4.2.2), and aim to recover a profit, it must operate through a UK registered company or cooperative. The Director for Traded Development must be consulted prior to the production of a business case for the implementation of any new commercial activities.
- 4.7.4. Where goods or services are provided to other public bodies under the Local Authorities (Goods and Services) Act 1970, the Council is permitted to enter into agreements which are not limited by a maximum income threshold of full cost recovery. The Act enables the authority to use an agreement to set out payment terms that all parties consider to be appropriate. Under these circumstances, the service may recover a profit, if appropriate, without the need to operate through a commercial trading company.
- 4.7.5. Charges should be determined in such a way as to promote the achievement of the Vision for Essex, as set out by the County Council in 2013 and, just as importantly, so as not to frustrate their achievement. The key ambitions within the vision are as follows:
- *increase educational achievement and enhance skills*
 - *develop and maintain the infrastructure that enables our residents to travel and our businesses to grow*
 - *support employment and entrepreneurship across our economy*
 - *improve public health and wellbeing across Essex*
 - *safeguard vulnerable people of all ages*
 - *keep our communities safe and build community resilience*
 - *respect Essex's environment*
- 4.7.6. Charges should also be set with consideration of supporting the 7 outcomes that have been identified as key measures for achieving the Vision for Essex, as follows:
- *Children in Essex get the best start in life*
 - *People in Essex enjoy good health and wellbeing*
 - *People have aspirations and achieve their ambitions through education, training and lifelong-learning*
 - *People in Essex live in safe communities and are protected from harm*
 - *Sustainable economic growth for Essex communities and businesses*
 - *People in Essex experience a high quality and sustainable environment*

- *People in Essex can live independently and exercise control over their lives*

4.8. Policy Statement 8: Charges will be subject to annual inflation where permissible

- 4.8.1. In line with the expectations of the Authority's medium term resourcing strategy, all charges should normally be subject to an annual inflation uplift.
- 4.8.2. Unless an alternative measure is identified as being more appropriate by the budget holder, inflation should normally be applied using the CPI forecast, published by HM Treasury, for the relevant year as is applied through the budget setting process. This is normally based on the CPI forecast published in the November prior to the budget being set.
- 4.8.3. In some instances the budget holder may identify that an inflationary uplift may not be permissible or appropriate, as set out below:
 - 4.8.3.1. It would mean that the service does not comply with the cost recovery policy statement
 - 4.8.3.2. Market prices would suggest that this is not sustainable
 - 4.8.3.3. The increase would not meet Corporate Objectives
- 4.8.4. Where inflation is not applied, the reasons for this should be identified in the annual review and recorded on the template included in Appendix A.

4.9. Policy Statement 9: Charges should normally be set annually with indicative charges being set for a second and third year

- 4.9.1. Unless there is a justifiable reason for not doing so, charges should be set for a minimum rolling three year period, to provide transparency to service users and to support service and financial planning.
- 4.9.2. In setting the charges for future years, the policy statements regarding cost recovery (7) and inflation (8) must be adhered to.
- 4.9.3. All future year's charges should be re-assessed annually, as part of the annual review, and amended as required through the annual budget process.

4.10. Policy Statement 10: The appropriate level of VAT must be applied to all charges

- 4.10.1. Ensure that the VAT guidance issued by the Executive Director for Corporate and Customer Services is complied with (i.e. to ensure that the correct liability is attached to all income due and that all amounts

recoverable on purchases can be claimed).

4.11. Policy Statement 11: Fees and charges decisions must be underpinned by the appropriate approvals

- 4.11.1. All new or amendments to fees and charges should be considered as part of the annual budget process and subject to the approvals set out in the Council's constitution.

Other than as set out below, officers are not authorised to change fees, charges or concession policies:

- i. Officers may apply inflationary increases to fees, charges and concession policies;
 - ii. Officers may determine fees for one off events or activities;
 - iii. Officers may determine the fees to be charged to other public bodies for services which the Council provides on a commercial or full-cost recovery basis. Where services are to be considered for delivery on a commercial basis, the Director for Traded Development must be consulted.
- 4.11.2. Appendix B sets out the roles and responsibilities for the respective approvals required for decisions made with regard to introducing or amending fees and charges. It also clarifies the approvals required where a decision is made not to charge.
- 4.11.3. In exceptional circumstances it may be necessary for fees or charges to be amended mid-year. In such cases, the exceptional approval process must be adhered to.
- 4.11.4. Appendices C and D set out the high level governance and approvals processes for all amendments to fees and charges policies.

4.12. Policy Statement 12: Charges should be transparent customers and other stakeholders

- 4.12.1. Any proposed fees and charges must be communicated through appropriate channels (for example, through the internet or the media or local advertising) to service users within a reasonable notice period together with details of how to access any concessions or discounts that may apply. Reasonable notice is deemed to be not less than 1 month for discretionary services; statutory services should apply the consultation requirements, as appropriate, as set out in the statutory guidance. Charges that are imposed 'on the day' (e.g. parking charges or bus fares) should be communicated by notice being displayed on site for at least 2 weeks before the change.

- 4.12.2. Prior to implementation, or amendment of fees and charges, consultation should also be undertaken, where appropriate, with community planning partners, residents and other stakeholders over proposed charges. In addition, the proposed charges will be subject to a local equalities impact assessment. This does not apply to an annual price increase which is broadly in line with the consumer prices index.
- 4.12.3. It is important to be able to demonstrate customer consent to charges, as required under statute. Customer consent can be demonstrated through customer take-up of the service on the terms offered. Where a customer receives a continuing service for which they pay in arrears it may be advisable to use a signed agreement, although this may not always be necessary or possible. It is important that initial customer consent is defined as closely as possible and that it is not too vague, otherwise the debt may prove unenforceable.

4.13. Policy Statement 13: Income from fees and charges should be administered to ensure ease of collection and comply with the debt recovery policy

- 4.13.1. Charges should be administered to maximise ease of collection of charges and minimise the costs of collection, considering both the Council and the service user perspective, in order to optimise the likelihood of collection.
- 4.13.2. Where appropriate, charges should be paid in advance or at the point of service delivery. In all instances, the Council's [Income Collection Policy](#) should be followed.

4.14. Policy Statement 14: Income from fees and charges must be monitored regularly

- 4.14.1. Regular monitoring of the effects of any new charges or change in charging approach must take place, as a minimum, over the 12 month period following their implementation. The impact of the charges should be reported, by exception, to the Head of Service in the first instance, where monitoring indicates **any** adverse impacts of the charges, including, but not limited to, impact on policy and the reputation of the Council.
- 4.14.2. Performance monitoring should also be undertaken regularly to ensure that service take-up and income reflects budgeted levels. Any significant variance should be reported through the budget monitoring and forecasting process.
- 4.14.3. Chargeable services and trading activities are dependent upon their income from charging to achieve their financial targets. To improve income performance, and avoid the risk of bad debts or debt write offs,

services and trading activities should:

- Collect charges in advance of service provision wherever possible;
- Ensure all customers are promptly assessed and billed;
- Ensure service users pay charges promptly and that an effective recovery approach is in place; and
- Have high quality and transparent accounting and administration to ensure all charges provide clear proof of debt.

4.14.4. Customers / clients should be billed via the Council's Debtors' Ledger, and in compliance with the Council's [Income Collection Policy](#) and the Financial Regulations.

4.15. Policy Statement 15: All charges should be reviewed annually to consider the appropriateness of the services being charged for and the price that is being levied

4.15.1. All fees and charges should be reviewed annually by the Head of Service, in alignment with the annual budget setting timetable and at the latest by the 31st October for the forthcoming financial year.

4.15.2. In reviewing the charges, the points of consideration set out in section 3 of this policy should be taken into account.

4.15.3. The template in Appendix A should be completed or updated as part of any review.

4.16. Policy Statement 16: A database consolidating the detail for fees and charges applied by the Authority is required to be maintained by the Funding and Investment team in Financial Services

4.16.1. A comprehensive database of fees and charges levied across the Council will be maintained by the Funding & Investments Team within Financial Services. This database will provide a single reference point for queries on the fees and charges levied.

4.16.2. On introducing or amending fees and charges, the log should be updated within a month of the approved change.

4.16.3. It is the responsibility of the Head of Service to ensure that the Funding & Investment Team is made aware of changes on a timely basis.

4.17. Policy Statement 17: All documentation associated with the setting and levying of fees and charges should be retained as a minimum for the period over which the charges are levied plus three years

4.17.1. Documents should be retained in a format that can be made accessible to all stakeholders, including customers or service users, on request. This will ensure that there is transparency and the opportunity for challenge with regard to all decisions regarding implementing or amending fees and charges.

4.17.2. Local service retention policies may require documents to be retained over a longer time period than this.

5. Additional Guidance

5.1. This policy and framework is supported with a guidance note which provides greater detail with regard to the practical application of this policy framework. The guidance note should be taken into account when planning to introduce or amend any fees and charges for any services provided by, or on behalf of, Essex County Council.

5.2. For commercial activities, reference should also be made to the following additional guidance which will also be made available alongside this policy:

5.2.1. A trading framework that underpins the development of a commercial offer

5.2.2. Incorporating commercial awareness into business cases

6. Other Key Policies and Documents

6.1. The Fees and Charges Policy should be read and used in conjunction with the Council's other policy documents and guidance. For ease of reference, links to the key documents and guidance are listed below:

- [Financial Regulations](#)
- [Essex County Council Constitution](#)
- [VAT Manual](#)
- [Income Collection Policy](#)

Introduction, Review and Amendment of a Fee or Charge

This form should be completed in conjunction with the requirements and approvals set out in the Corporate Fees and Charges Policy.

Function		Service Area			
Head of Service					
Description of Chargeable Service					
Date of Agreement		Date of Review			
Approved by				<i>Insert link to approval¹</i>	
Charges to be applied (please state £0 if decision is not to charge)					
Charge	Current year charge £	Current year +1 £	Current year +2 £	Current year +3 £	
<i>(Insert additional lines as required)</i>					
State any discounts or concessions to be applied					
Discount / Concession	Current year charge £	Current year +1 £	Current year +2 £	Current year +3 £	
<i>(Insert additional lines as required)</i>					
State the rationale for charging, including where the decision is not to charge					
State the service delivery objectives to be achieved by charging (including the objectives of concessions and discounts)					

¹ See current Fees and Charges Policy for required approvals for introducing or amending fees and charges.

Do the charges aim to achieve full cost recovery?		Yes / No		Insert link to calculation	
If “No”, please indicate the reason(s) for not achieving full cost recovery: (please tick)					
a) It is not legal to do so					
b) It does not support Corporate Objectives / Outcomes					
c) Market conditions will not sustain charges at that level					
Where full cost recovery is not intended to be met, please state how the unrecovered costs are to be funded and the value of the unrecovered amount					
Funding Source	Current year cost £	Current year +1 £	Current year +2 £	Current year +3 £	
Council tax					
Ring-fenced grant					
Un-ring-fenced grant					
Third party funding					
Other (please state below)					
<i>(Details of other funding sources)</i>					
Which stakeholders have been engaged with regard to the changes?					
<i>(Please identify details of all Stakeholders that have been consulted including how and when they have been consulted)</i>					

Once approved, a copy of the completed form should be submitted to the Funding and Investment Team.

Roles and responsibilities for introducing, reviewing, amending and managing fees and charges

Action	Decision Required	Actioned by	Supported by	Reviewed by	In consultation with	Approved by	Ref. to Policy
The Governance for Introducing / Amending fees and charges							
Propose introduction / amendment of fees and charges and completion of the standard template		Head of Service / Operational Budget Holder	Head of Finance / Finance Business Partner	Service Director	Service Users and other key stakeholders		3.3
Propose introduction / amendment of fees and charges on a commercial basis and completion of the standard template		Head of Service / Operational Budget Holder	Head of Finance / Finance Business Partner	Service Director	Service Users and other key stakeholders including Director for Traded Development		3.3
Determine fees taking into account the full cost recovery requirements and the impact, if any, on other funding sources		Head of Service / Operational Budget Holder	Head of Finance / Finance Business Partner	Service Director	Service Users and other key stakeholders		4.7
Approvals required for the following changes to fees or charges:							
Apply inflationary increases to fees, charges and concession policies	Chief Officer Action	Head of Finance / Finance Business Partner	Head of Service / Operational Budget Holder	Service Director	Executive Director for Corporate and Customer Services; Cabinet Member	Executive Director for Service	4.11
Determine fees for one off events or activities	Chief Officer Action	Head of Service / Operational Budget Holder	Head of Finance / Finance Business Partner	Service Director	Executive Director for Corporate and Customer Services	Executive Director for Service	4.11
Determine the fees to be charged to other public bodies for services which the Council provides on a commercial or full-cost recovery basis	Chief Officer Action	Head of Service / Operational Budget Holder	Head of Finance / Finance Business Partner	Service Director	Executive Director for Corporate and Customer Services	Executive Director for Service	4.11

Roles and responsibilities for introducing, reviewing, amending and managing fees and charges cont.

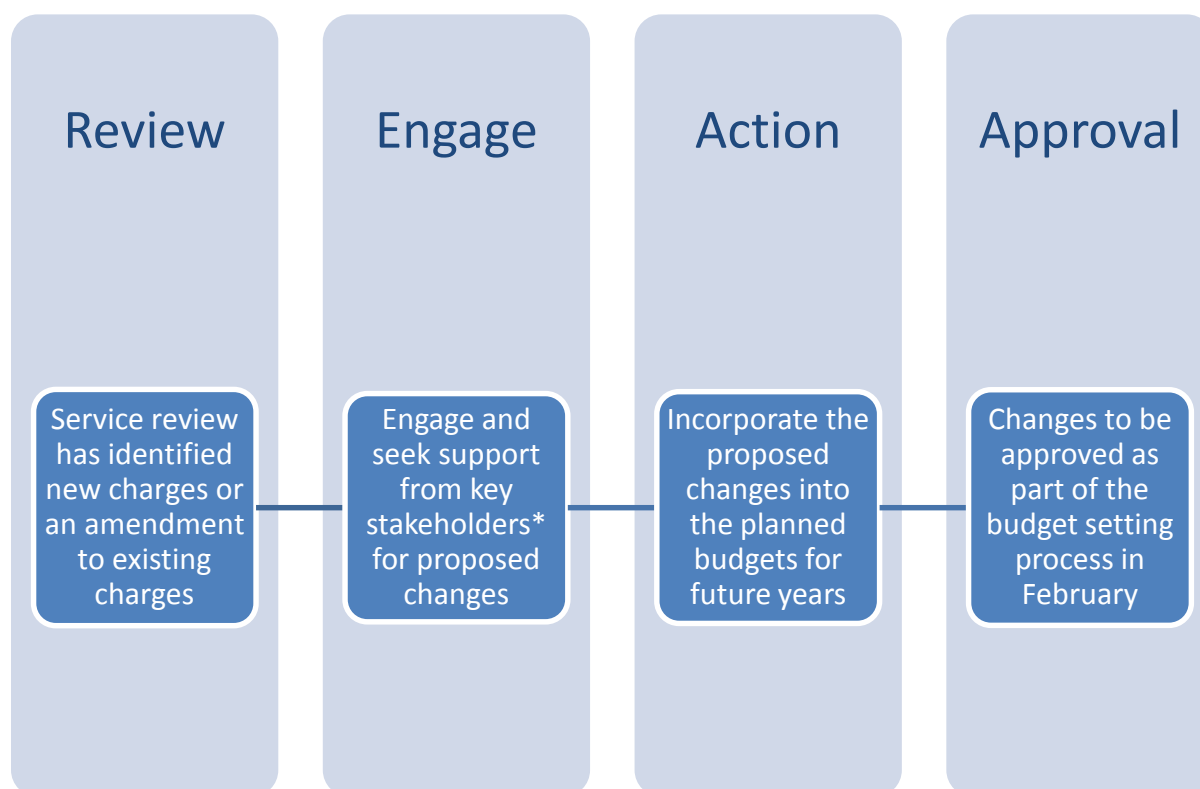
Action	Decision Required	Actioned by	Supported by	Reviewed by	In consultation with	Approved by	Ref. to Policy
Apply fees and charges on a commercial basis through the establishment of an alternative delivery vehicle	Key Decision / Cabinet Member Action	Head of Service / Operational Budget Holder	Head of Finance / Finance Business Partner	Executive Director and Director for Traded Development	Executive Director for Corporate and Customer Services, Executive Director for Strategy, Transformation and Commissioning Support and Monitoring Officer	Approvals as defined in the Council's Constitution	4.11
All other changes relating to the introduction or amendment of fees and charges	Key Decision / Cabinet Member Action	Head of Service / Operational Budget Holder	Head of Finance / Finance Business Partner	Service Director	S151 and Monitoring Officer	Approvals as defined in the Council's Constitution	4.11
Decision not to charge for services against which a charge could be applied		Head of Finance / Finance Business Partner	Head of Service / Operational Budget Holder	Service Director	Executive Director for Corporate and Customer Services	Executive Director for Service	4.11
Ensure appropriate amendments to current and future years budgets are in place following approval of changes		Head of Finance / Finance Business Partner	Head of Service / Operational Budget Holder				4.11
Update the fees and charges log		Funding and Investment Team	Head of Service / Operational Budget Holder				4.16
Document retention		Head of Service / Operational Budget Holder					4.17

Roles and responsibilities for introducing, reviewing, amending and managing fees and charges cont.

Action	Decision Required	Actioned by	Supported by	Reviewed by	In consultation with	Approved by	Ref. to Policy
Management and Monitoring of Fees and Charges							
Review and update the service take-up and income forecast on a monthly basis		Head of Service / Operational Budget Holder	Head of Finance / Finance Business Partner				4.14
Report material variances in expected take-up of service or income. If required, action amendments to the fees and charges.		Head of Service / Operational Budget Holder	Head of Finance / Finance Business Partner	Service Director	Executive Director for Corporate and	Approvals in line with the required decision as set out	4.14
Monitor outcomes and impact on Corporate priorities and report any material unexpected consequences of the implementation or amendments to fees and charges. If required, action amendments to the fees and charges.		Head of Service / Operational Budget Holder	Head of Finance / Finance Business Partner	Service Director	Service Users and other key stakeholders including the Executive Director for Corporate and Customer Services	Approvals in line with the required decision as set out above.	4.14
Annual Review of Fees and Charges							
Review Corporate Policy for Fees and Charges	Key Decision	Funding and Investment Team	Head of Finance / Finance Business Partner	Operations Board	S151 Officer, Monitoring Officer and Cabinet	Council	2.1
Review individual fees and charges policies, ensuring they are aligned to the Corporate Policy and are meeting the intended outcomes		Head of Service / Operational Budget Holder	Head of Finance / Finance Business Partner	Service Director	Service Users and other key stakeholders		4.15
Review the fee level for the next three years and assess the impact on other funding sources where the full cost recovery requirement is not met		Head of Service / Operational Budget Holder	Head of Finance / Finance Business Partner	Service Director	Service Users and other key stakeholders	Executive Director for the Service and Cabinet Member for the Service	4.9
Update the fees and charges database for proposed changes to fees and charges arising from the annual review		Funding and Investment Team	Head of Service / Operational Budget Holder	Head of Finance / Finance Business Partner			4.16
Apply the proposed changes to future years budget plans for approval as part of the budget process.		Head of Finance / Finance Business Partner	Head of Service / Operational Budget Holder				2.3
Prepare the annual statement on fees and charges to be taken to Cabinet and then Council in alignment with the budget setting timetable	Key Decision	Funding and Investment Team	Head of Service / Operational Budget Holder	Head of Finance / Finance Business Partner	S151 Officer, Monitoring Officer and Cabinet	Council	2.1
Update the fees and charges database to reflect any amendments approved by Council to the proposed fees and charges.		Funding and Investment Team					4.16

Governance for Introducing or Amending a Fee or Charge through the budget setting process

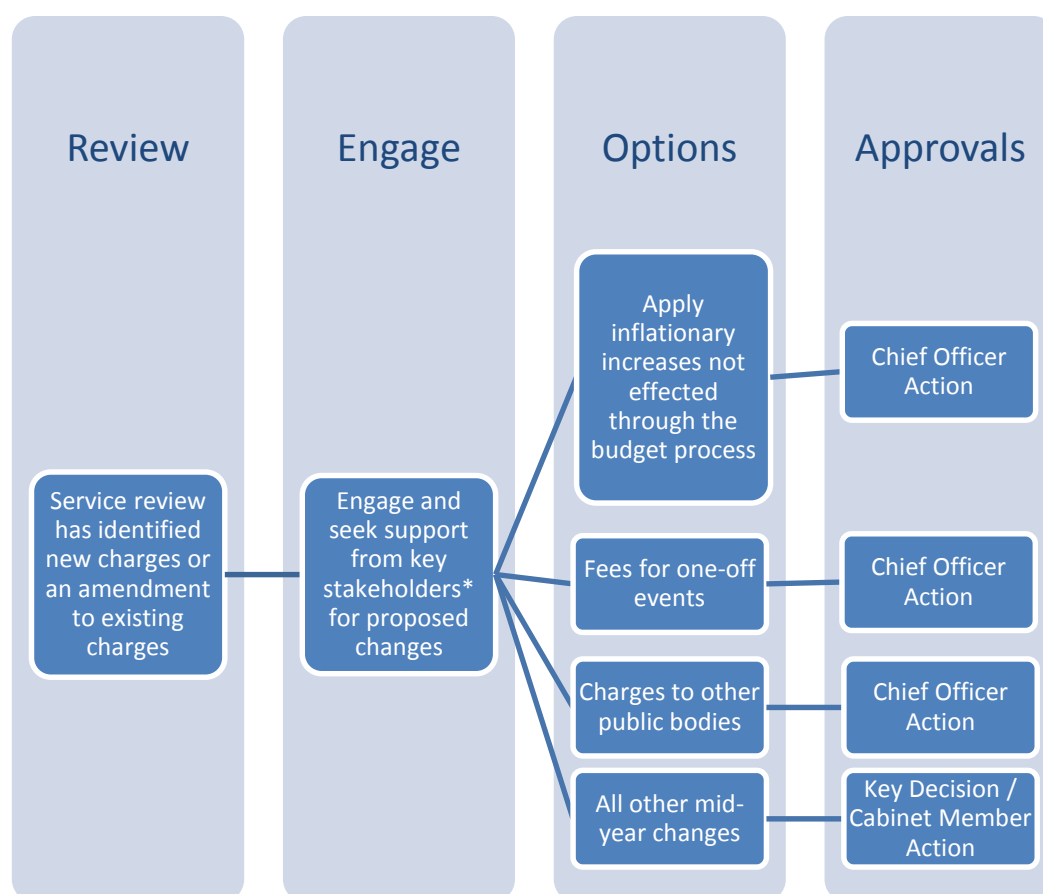
Set out below is the high-level process for actioning new, or amendments to, fees or charges through the annual budget setting process; for amendments that need to be made outside of this process, please refer to the separate guidance on mid-year amendments. This process should be considered in conjunction with the Fees and Charges policy framework and the defined roles and responsibilities included within it.



* Stakeholders to include as a minimum: Customers / Service users, Head of Service, Head of Finance, Executive Director for Corporate and Customer Services, Cabinet Member, Equality and Diversity team

Exceptional Approval Process for Introducing or Amending a Fee or Charge Mid-year

Set out below is the process for implementing new, or amendments to, fees or charges mid-year, outside of the annual budget setting process; for amendments that can be made as part of the budget setting process, please refer to the separate guidance on this process. This process should be considered in conjunction with the Fees and Charges policy framework and the defined roles and responsibilities included within it.



* Stakeholders to include as a minimum: Customers / Service users, Head of Service, Head of Finance, Executive Director for Corporate and Customer Services, Cabinet Member, Equality and Diversity team.