

## COMMERCIAL CHARGING STRATEGY 2024/25

### AIMS

1. The aim of the strategy is:
  - a) to maximise income, efficiencies and commercial performance across the Council
  - b) to require Officers and Members to behave more commercially and innovatively to meet future funding challenges as cuts to core funding have to be absorbed, whilst facing pressures across service areas
  - c) to work with stakeholders to ensure opportunities to secure income are constantly sought and exploited
  - d) to ensure that fees and charges for services are based on a full cost recovery model and delivered with a clear customer service focus
  - e) to create a co-ordinated approach to charging, that is applied across all areas of the Council
  - f) to outline the key principles for charging
  - g) to set out an annual review process for all discretionary charges

### KEY PRINCIPLES

2. The key principles of the strategy are:
  - a) all fees and charges should cover the full cost of providing the service (including overheads), except for those services explicitly set out as exemptions. The provision of subsidies should be a conscious choice
  - b) the nature of fees and charges depends on whether they relate to statutory or discretionary services:
    - Statutory fees and charges - the level of charge is usually determined by Government, or locally with a statutory maximum fee;
    - Discretionary services - those that a council is authorised but not required to provide
  - c) charges should be reviewed on an annual basis, using clear and transparent evidence and knowledge to set the level of charges

- d) Heads of Service should produce an action plan for meeting any income target for generating fees and charges allocated to their service area
- e) where charges are not made for a service, or are reduced below full cost recovery level, the reasons for this should be reconsidered as part of the annual review process to ensure that significant income is not being lost
- f) if a service believes that a specific charge should be exempt from this policy or should adopt a different approach to concessions, then a clear case for exemption will need to be set out to Management Team

## **ANNUAL REVIEW**

3. All charges will undergo a thorough annual review as part of the budget setting process.

- a) the annual review process will complete in time to influence the annual budget process, and will be led by the relevant Head of Service who will consult with the relevant Director and Executive Member
- b) in addition, between annual reviews, amendments to fees & charges can be made with the following approvals:
  - the Director of Resources, in consultation with the relevant Head of Service, to determine any new charges or changes to existing charges relating to the preparation and approval of the 2024/25 revenue budget
  - the Executive Portfolio Members to amend fees & charges periodically in their own area with agreement of the Director of Resources
  - the Director of Economy and Development, in consultation with the Executive Member for Resources and Performance Management and the Director of Resources, to adjust fees and charges in relation to the Markets service from time to time to reflect current trading conditions and the overall position of the market.
- c) market research, comparative data, management knowledge and any other relevant information will be used where appropriate to ensure that the charges are properly prepared.
- d) the annual review process will consider the following factors:
  - views of stakeholders and local people
  - previous year's income

- trends in user demand and the impact of any increase or decrease in charges in the previous year
  - inflationary pressures
  - the impact of any competition or the likely impact of any identified potential competition
  - Council priorities
  - Council budget and savings target
  - the need for any investment in the service
  - customer survey results and market intelligence
  - the likely impact of any increase or decrease on service users, particularly any vulnerable groups at risk of social exclusion; and any alternative charging structures
- e) existing charges should be reviewed, including any charges where the full cost is not recovered. The reasons why the full cost is not recovered must be reviewed annually
- f) in addition any service where no charge is levied, but there is the possibility a charge could be made must be reviewed annually to ensure that the Council is not losing significant revenue
- g) the annual review process should be a robust process that explores the rationale behind the level of each charge ensuring that the Council's charges reflect the Council's priorities and policies
- h) it should be based on knowledge and understanding of the impact of charging levels on different groups of service users. The review process should also guarantee that the Council is raising the maximum amount of revenue possible

#### **COMMERCIAL STRATEGY**

4. The Commercial Charging Strategy will be reviewed annually as part of the budget setting process to ensure it remains up to date and relevant.

