





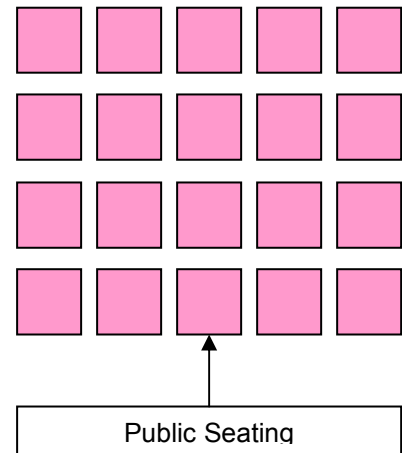
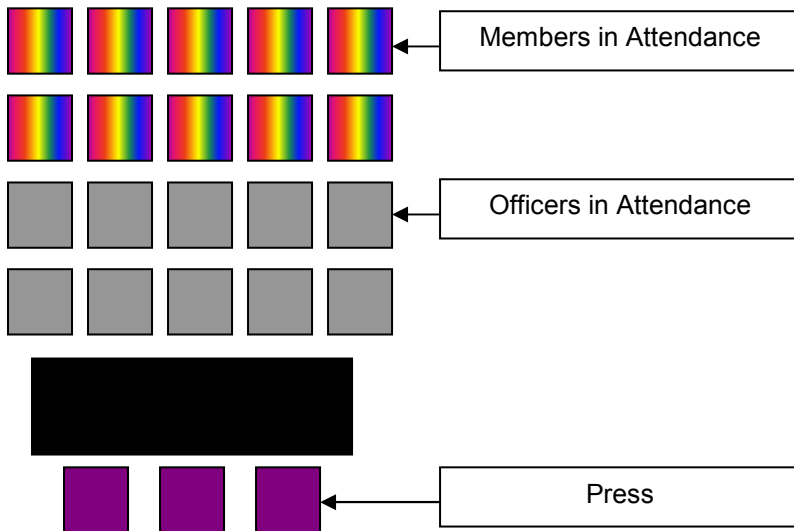
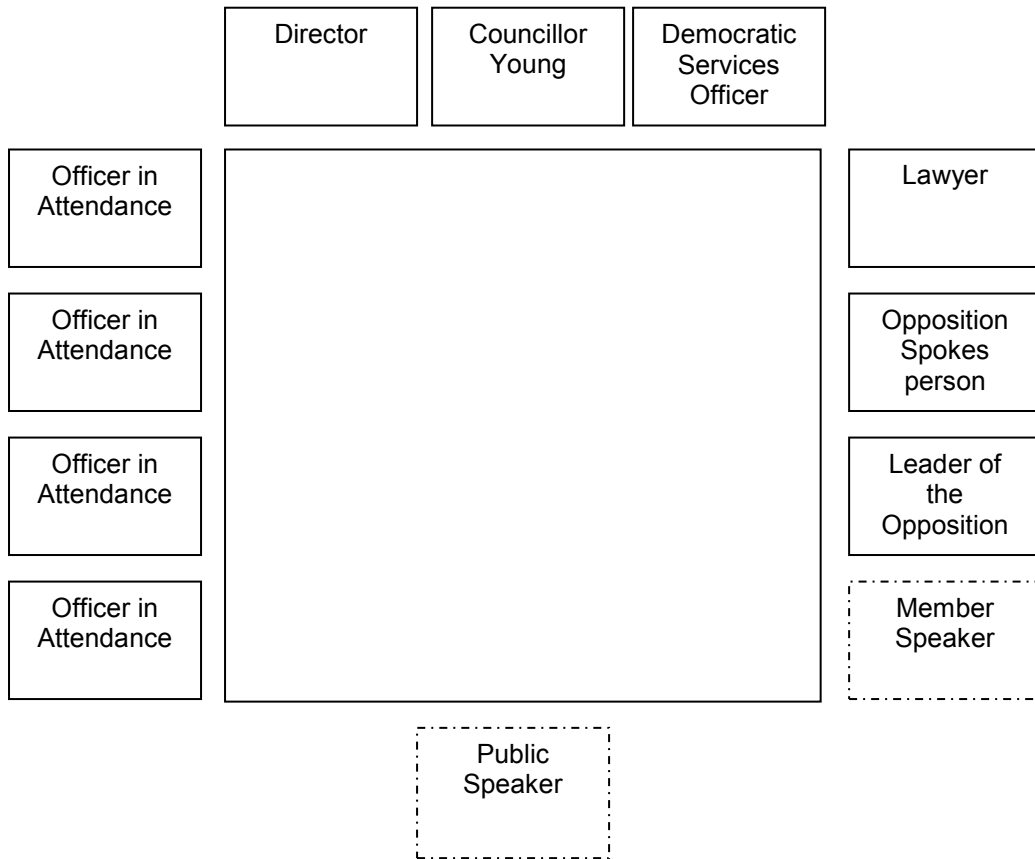
Brighton & Hove  
City Council

# Cabinet Member Meeting

Title:	<b>Finance Cabinet Member Meeting</b>
Date:	<b>13 October 2008</b>
Time:	<b>4.00pm</b>
Venue	<b>Committee Room 1, Hove Town Hall</b>
Members:	<b>Councillor:</b> Young (Cabinet Member)
Contact:	<b>Nara Miranda</b> Democratic Services Officer 01273 291004 (voicemail only) nara.miranda@brighton-hove.gov.uk

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	<b>An Induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter and infra red hearing aids are available for use during the meeting. If you require any further information or assistance, please contact the receptionist on arrival.</b>
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# Democratic Services: Meeting Layout



## AGENDA

### 29. PROCEDURAL BUSINESS

- (a) Declarations of Interest by all Members present of any personal interests in matters on the agenda, the nature of any interest and whether the Members regard the interest as prejudicial under the terms of the Code of Conduct.
- (b) Exclusion of Press and Public - To consider whether, in view of the nature of the business to be transacted, or the nature of the proceedings, the press and public should be excluded from the meeting when any of the following items are under consideration.

*NOTE: Any item appearing in Part 2 of the Agenda states in its heading the category under which the information disclosed in the report is exempt from disclosure and therefore not available to the public.*

*A list and description of the exempt categories is available for public inspection at Brighton and Hove Town Halls.*

### 30. MINUTES OF THE PREVIOUS MEETING

1 - 4

Minutes of the Meeting held on 21 July 2008 (copy attached).

### 31. CABINET MEMBER'S COMMUNICATIONS

### 32. ITEMS RESERVED FOR DISCUSSION

- (a) Items reserved by the Cabinet Member
- (b) Items reserved by the Opposition Spokesperson
- (c) Items reserved by Members, with the agreement of the Cabinet Member.

*NOTE: Public Questions, Written Questions from Councillors, Petitions, Deputations, Letters from Councillors and Notices of Motion will be reserved automatically.*

### 33. PUBLIC QUESTIONS

(The closing date for receipt of public questions is 12 noon on 6 October 2008)

No public questions received by date of publication.

## **FINANCE CABINET MEMBER MEETING**

### **34. WRITTEN QUESTIONS FROM COUNCILLORS**

No written questions have been received.

### **35. PETITIONS**

No petitions received by date of publication.

### **36. DEPUTATIONS**

(The closing date for receipt of deputations is 12 noon on 6 October 2008)

No deputations received by date of publication.

### **37. LETTERS FROM COUNCILLORS**

No letters have been received.

### **38. NOTICES OF MOTIONS REFERRED FROM COUNCIL**

No Notices of Motion have been referred.

### **39. MATTERS REFERRED FOR RECONSIDERATION**

No matters have been referred.

### **40. REPORTS FROM OVERVIEW & SCRUTINY COMMITTEES**

No reports have been received.

### **41. INCOME COLLECTION & RECOVERY 2008/2009 - QUARTER 1 5 - 18**

Report of the Director of Finance & Resources (copy attached).

*Contact Officer:* Nigel Manvell *Tel:* 293104

*Ward Affected:* All Wards

### **42. CORPORATE FEES & CHARGES POLICY 19 - 32**

Report of the Director of Finance & Resources (copy attached).

*Contact Officer:* Nigel Manvell *Tel:* 293104

*Ward Affected:* All Wards

## FINANCE CABINET MEMBER MEETING

The City Council actively welcomes members of the public and the press to attend its meetings and holds as many of its meetings as possible in public. Provision is also made on the agendas for public questions to committees and details of how questions can be raised can be found on the website and/or on agendas for the meetings.

The closing date for receipt of public questions and deputations for the next meeting is 12 noon on the fifth working day before the meeting.

Agendas and minutes are published on the council's website [www.brighton-hove.gov.uk](http://www.brighton-hove.gov.uk). Agendas are available to view five working days prior to the meeting date.

Meeting papers can be provided, on request, in large print, in Braille, on audio tape or on disc, or translated into any other language as requested.

For further details and general enquiries about this meeting contact Nara Miranda, (01273 291004 (voicemail only), email [nara.miranda@brighton-hove.gov.uk](mailto:nara.miranda@brighton-hove.gov.uk)) or email [democratic.services@brighton-hove.gov.uk](mailto:democratic.services@brighton-hove.gov.uk)

Date of Publication - Friday, 3 October 2008



## BRIGHTON & HOVE CITY COUNCIL

### FINANCE CABINET MEMBER MEETING

4.00PM, 21 JULY 2008

ROOM 1 – HOVE TOWN HALL

#### MINUTES

**Present:** Councillor Young, Cabinet Member for Finance.

**Also in attendance:**

Cabinet Members: Councillor Fallon-Khan, Cabinet Member for Central Services.

**Other Members:**

Councillor Hamilton, Opposition Spokesperson.

#### PART ONE

#### 14 PROCEDURAL BUSINESS

##### 14a Declarations of Interests

14.1 There were none.

##### 14b Exclusion of Press and Public

14.2 The Committee considered whether the press and public should be excluded from the meeting during the consideration of any items contained in the agenda, having regard to the nature of the business to be transacted and the nature of the proceedings and the likelihood as to whether, if members of the press and public were present, there would be disclosure to them of confidential or exempt information as defined in Schedule 12A, Part 5A, Section 100A(4) or 100 1 of the Local Government Act 1972 (as amended).

14.3 **RESOLVED** - That the press and public be not excluded from the meeting.

#### 15 MINUTES

15.1 **RESOLVED** – That the Minutes of the meeting held on the 4 June 2008 be approved and signed by the Cabinet Member.

#### 16 CABINET MEMBER'S COMMUNICATIONS

16.1 There were none.

**17 ITEMS RESERVED FOR DISCUSSION**

17.1 **RESOLVED** – That all items be reserved for discussion.

**18 PUBLIC QUESTIONS**

18.1 There were none.

**19 WRITTEN QUESTIONS FROM COUNCILLORS**

19.1 There were none.

**20 PETITIONS**

20.1 There were none.

**21 DEPUTATIONS**

21.1 There were none.

**22 LETTERS FROM COUNCILLORS**

22.1 There were none.

**23 NOTICE OF MOTION REFERRED FROM COUNCIL**

23.1 There were none.

**24 MATTERS REFERRED FOR RECONSIDERATION**

24.1 There were none.

**25 REPORTS FROM OVERVIEW & SCRUTINY COMMITTEE**

25.1 There were none.

**26 INCOME COLLECTION AND RECOVERY 2007/08**

26.1 The Cabinet Member considered a report of The Director of Finance & Resources on income collection and recovery performance for 2007/08 as at quarter 4 (March 2008). The report highlighted improvement and best practice actions. The quarterly reports would ensure that the Cabinet Member for Finance was aware of the Council's current performance and arrangements for continually improving income collection and recovery (for copy see minute book).

26.2 The Cabinet Member stressed the strong focus on income collection and recovery and was pleased to report that the two services had achieved Charter Mark Status. The services would help those in severe hardship but be tough on those people who don't pay.

26.3 The Opposition Spokesperson referred to paragraph 3.5 relating to BVPI 79bii Housing Benefit overpayments recovered as a percentage of the total amount of HB overpayment debt outstanding. He asked if this related to overpayments made to council tenants only or covered all categories of housing benefit claimants. The



Assistant Director, Financial Services confirmed that it related to all categories of claimants.

26.4 The Opposition Spokesperson referred to paragraph 8.5 in relation to Risk and Opportunity Management Implications. He asked if the risk assessment was a one off exercise or carried out on a continuous basis. The Assistant Director, Financial Services replied that it was carried out on an annual basis. Officers reviewed all budgets across the council. The Director of Finance & Resources confirmed that in addition to the annual review, officers could review individual budgets at any point, if there were concerns.

26.5 **RESOLVED** – That having considered the information and the reasons set out in the report, the Cabinet Member accepted the following recommendation:

(1) That the contents of the report be noted.

## **27 TREASURY MANAGEMENT POLICY STATEMENT (INCORPORATING THE ANNUAL INVESTMENT STRATEGY) 2007/08 – END OF YEAR REVIEW**

27.1 The Cabinet Member considered a report of The Director of Finance & Resources concerning the action taken during the second half of the financial year 2007/2008 on the Treasury Management Policy Statement, including the investment strategy. The action for the first half year was reported to the Financial Management Sub-Committee on 23 November 2007 (for copy see minute book).

27.2 **RESOLVED** – That having considered the information and the reasons set out in the report, the Cabinet Member accepted the following recommendations:

(1) That the action taken during the second half year to meet the treasury management policy statement and practices (including the annual investment strategy) be endorsed.

2) That it be noted that the authorised limit and operational boundary set by the Council have not been exceeded.

## **28 ANNUAL VALUE FOR MONEY & EFFICIENCY REPORT**

28.1 The Cabinet Member considered a report of the Director of Finance & Resources which provided an update on the council's value for money programme and performance against government efficiency targets as reported in Annual Efficiency statements submitted to central government. The report also provided a framework for action planning to improve the council's use of its resources and reported on its delivery against those plans (for copy see minute book).

28.2 The Opposition Spokesperson referred to paragraph 3.5. He asked if there was scope in working with other local authorities to bulk buy. The Director of Finance and Resources replied that there were opportunities to buy goods and services through the Sussex Consortium and a national framework. The council were increasingly involved in joint procurement work.

28.3 The Opposition Spokesperson referred to paragraph 5.6 in relation to the Transformation Fund. He asked if this was used by PricewaterhouseCoopers.

The Assistant Director Financial Services replied that the Transformation Fund did not fund PricewaterhouseCoopers. The fund built capacity. Outside expertise might be brought in or it might simply be used to bring in extra officer capacity, including temporary staff. The Director of Finance and Resources explained that the fund was used for pump priming projects each year. One example was providing additional capacity for improving corporate debt collecting.

28.4 **RESOLVED** – That having considered the information and the reasons set out in the report, the Cabinet Member accepted the following recommendations:

(1) That the achievement against the 2007/08 efficiency target reported in the “backward look” Annual Efficiency Statement submission be noted.

(2) That the actions taken in 2007/08 to improve the council’s use of its resources be noted.

(3) That the actions planned for 2008/09 to improve the council’s use of its resources be agreed.

The meeting concluded at 4.24 pm.

Signed

Chairman

Dated this

day of

2008

# FINANCE CABINET MEMBER MEETING

## Agenda Item 41

Brighton & Hove City Council

**Subject:** Income Collection & Recovery 2008/09 – Quarter 1  
**Date of Meeting:** 13 October 2008  
**Report of:** Director of Finance & Resources  
**Contact Officer:** Name: **Nigel Manvell** Tel: **29-3104**  
E-mail: nigel.Manvell@brighton-hove.gov.uk  
**Key Decision:** No  
**Wards Affected:** All

### FOR GENERAL RELEASE

#### 1 SUMMARY AND POLICY CONTEXT

- 1.1 To update the Cabinet Member for Finance on income collection and recovery performance for 2008/09 as at quarter 1 (June 2008) and highlight continuing improvement and best practice actions.

#### 2 RECOMMENDATIONS:

- 2.1 That the contents of the report be noted.

#### 3 INCOME COLLECTION PERFORMANCE 2008/09

- 3.1 Monitoring collection performance is important for safeguarding the council's financial position and maximising income to support the provision of services. A number of income areas have high profile BVPI indicators, which are reported below, while others require local indicators and targets to be developed. BVPI indicators will continue to be collected while the new National Indicator Set and/or other local performance indicators are put in place.
- 3.2 Services monitor performance in many different ways but this report focuses only on key indicators and headline information. Key performance indicators are summarised at Appendix A (current year).
- 3.3 Council Tax Collection (BVPI 9)  
In-year collection is running at 28.73% as at June 2008 which compares with 28.72% this time last year. This is a good achievement given the current economic climate and is expected to enable the service to achieve the target collection rate of 96.1% for the year.
- 3.4 Business Rate (NNDR) Collection (BVPI 10)  
The first quarter performance figure for NNDR is 31.98%, which is slightly behind the target of 33.15%. However, we expect that NNDR collection will be relatively volatile this year due to the impact of the credit crunch and it is therefore difficult to monitor relative performance in these conditions and the potential impact of first quarter performance on the overall collection rate for the year.

### 3.5 Housing Rent Collection and Arrears Recovery (BVPI 66a)

This indicator relates to the proportion of rent collected during the year as a percentage of the total rent charged for the year. It does not take into account any cash collected to clear arrears from previous years. At the end of the first quarter the forecasted collection rate is 97.965% against a year-end target of 98.5%. Until year-end is reached the result can only ever be a forecast as the service cannot be precisely sure how much rent will be foregone as a result of properties being empty whilst they are re-let. This result compares favourably to 2007/08 when the forecasted result was 96.680%.

During the first three months of this year, current rent arrears have dropped from £905,675 to £834,592 a reduction of £71,083. With continued improvement and service developments, some of which are set out below, Housing Management are confident of meeting their annual target.

### 3.6 Housing Benefit (HB) overpayments recovery (BVPI 79b)

Performance in 2007/08 showed that in-year recovery was performing well and exceeded the target of 62.5% by over 10% (72.6%). Improving in-year recovery is important as the faster debts are collected, the less likelihood there is of arrears building up. In terms of arrears recovery, this was slightly below target at 31.34%, which was 5.66% below the target of 37% for 2007/08. However, it is difficult to assess whether performance is genuinely lower as many arrears may be in recovery via lengthy regular payment arrangements that are not accurately reflected by this indicator. Targets for Housing Benefit Overpayments are currently being reviewed in light of national comparative data.

### 3.7 Sundry Debt

Collection performance continues to steadily improve with 82% of debts now being collected within 90 days compared with 69% previously. Current in-year collection stands at 76% of debts, however, this includes some large one-off debts that once-cleared will bring performance much closer to target. Although it is difficult to forecast at this early stage of the year, the collection rate (including arrears) is expected to remain close to the target of 97.5% as sundry debts are not normally adversely affected by the speed of recovery (within limits). Targets for Sundry Debt are currently being reviewed in light of national comparative data.

### 3.8 ASC Debt

Recovery of Adult Social Care debts has improved markedly with 97% recovered within 90 days compared with less than 60% during 2007/08. In-year collection is currently at 92% and is expected to achieve the target for the year (95%). Targets for Adult Social Care are currently being reviewed in light of national comparative data.

### 3.9 Parking Debt

Penalty notice recovery rates were running at below 60% for the first quarter (e.g. 58.7% in June), however, this lower rate is primarily due to problems experienced during the migration of data to the new parking management system which reduced the recovery rate for this period by about 2.5%. Projections for the remainder of the year, including a strong recovery rate of well over 65% on bus lane enforcement, should ensure that the target of 61% is met or bettered.

It should be noted that recovery rates can be significantly affected by National Parking Adjudication Service rulings to cancel Penalty Notice Charges (PCNs) issued as well as other factors outside of the council's control such as the reliability of information from the DVLA. This collection rate is, however, known to be comparable with other authorities in the south.

### 3.10 Commercial Rents – Cluttons

Many commercial rents are managed under contract by Cluttons. The contract includes performance targets for speed of collection; these are set at 85% of rents to be collected within 4 weeks, 90% within 8 weeks and 95% within 12 weeks (i.e. overall collection rate target assuming 5% voids). Average performance for 2008/09 so far is 72.39% collected within 4 weeks compared with the target of 85%.

Cluttons have continued to perform reasonably well in terms of rent collection and have refined their reporting of data to provide more information on the performance of the portfolio. Performance was better than target for rent collection during the 4th Quarter of 2007/08. However, in common with the wider industry we are now seeing the impact of the credit crunch on tenants in the tougher trading environment, particularly in the retail sector. In addition, voids are continuing longer than anticipated because the market for empty retail properties is particularly slow at present. The longer these economic conditionals prevail the more difficult it will be to hit targets and avoid arrears growing.

## 4 **Age Profile of Outstanding Debt**

4.1 Appendix B shows the current age profile of debts outstanding, while Appendix C shows movements from the last quarter reported. As far as practicable, debts outstanding have been categorised under the same age bandings although the various systems often have different reporting structures. The underlying age profile can also be different for each type of debt. For example, Council Tax and NNDR bills are raised at the beginning of each year and the debt outstanding therefore gradually reduces with each passing month as debts are paid whereas Sundry Debts are continually being raised throughout the year. In practice, the income collection units will therefore compare their debt profiles with the same period in the previous years as an additional check on trends.

4.2 Currently there are no adverse or unexpected trends to report. The increase in Council Tax debts over 1 year old (+£3.8m) appears to be an adverse movement but in fact this is due to the way in which the system re-categorises debts as it rolls over to a new financial year; i.e. all current debts as at 31st March 2008 become listed as over 1 year old.

## 5 **Direct Debit/Standing Order Take-up**

5.1 The 2007 Audit Commission report “Improving Income Collection” focuses heavily on encouraging the take-up of regular payment methods, particularly Direct Debit, which is inexpensive and efficient to handle. Current take up of regular payments by service is shown in the table below. Figures are shown as a percentage of either transactions (i.e. each bill raised) or the value of debt raised. The latter is the more important indicator but not all systems can currently report in this way.

Figures in parentheses () represent the previous quarter

Income	Direct Debit Collections	
	Transactions	Value
	%	%
Housing rent	14 (15)	26 (26)
HB Overpayments	30 (n/a)	*
Sundry Debtors (incl. Adult Social Care)	52 (47)	*
Council Tax	*	62 (57)
NNDR	*	43 (47)

Cluttons (Rents)	20 (n/a)	*
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\* Indicates that systems cannot currently report information in this format

n/a = not available at time of reporting

- 5.2 The table shows that regular payment take-up is holding steady for Housing Rent who undertook a significant drive to encourage take-up during 2007/08 and who are currently planning further initiatives. Sundry Debt take-up is improving and the service is working toward automating Direct Debit transaction handling (using the AUDDIS service). The all-important service is Council Tax collection where the value of payments by Direct Debit has increased by a healthy 5%.
- 5.3 It is also worth noting that the authority pays independent sector adult social care providers net of any client charges. This is a very efficient and cost effective way of collecting the vast majority of social care charges compared with many authorities.
- 5.4 Regular payments obviously do not apply to PCN fines. The main payment methods for this service in 2007/08 were credit/debit cards (41.3%) and cheques (45.3%).

## 6 Improvements and Best Practice Actions

6.1 Improving the performance of income collection services is a matter for each service and the relevant directorate, however, the Corporate Debt Management Group plays an overarching role in ensuring that best practice is shared across services; that performance monitoring is standardised as far as possible, and; that collection units work with each other to maximise overall collection and recovery. Each quarter, a brief summary of improvement actions or implementation of best practice will be provided.

6.2 Best Practice Updates:

### 6.2.1 Housing Rent

- “E-benefits” will be implemented in **September 2008**, a slight delay to the proposed introduction in June of this year. This will enable housing benefit applications to be taken on-line and uploaded directly to be processed. E-benefits also enables advisors to establish what other benefits or tax credits may be available for individual households.
- Direct Debit drive – targeted letters are being sent to tenants to encourage direct debit payment. The letter includes a mandate form, provides details of the incentive scheme and sets out why direct debit is the easiest way to pay.
- Advertising Campaign – the service is currently working with the Tenant and Leaseholder Housing Income Management Group to devise an advertising campaign about the importance of paying rent, what could happen if you don't and what help is available to those with debts or who are struggling financially.
- A review of collection methods is to be undertaken during September and October to streamline procedures whilst ensuring debtors still receive appropriate levels of advice and support. In addition, a customer satisfaction survey will be completed by 30 November and the results used to improve service delivery. A best practice-sharing visit is also planned with another city council.
- A review of the Housing Income Management Team Structure is expected to take place by 31 October.

### 6.2.2 Council Tax and NNDR

- The service is currently running a Recovery Review Project which is looking at all aspects of recovery. This has led to an improved training programme, which many staff have already been through. This is aimed at improving telephone techniques to collect payments there and then and also promote Direct Debit payment as far as possible, especially at reminder and summons stages.
- The service is also conducting site visits to other top performing authorities to pick up best practice, and reviewing recovery timetables to ensure action is taken as quickly as possible against defaulters.
- There is also more cross-service work being undertaken, particularly with Housing, to ensure a more holistic view of recovery is being taken.
- Increased activity on hard to collect debts continues. This is known as the Rossendale Collect scheme for cases that have had bailiff action that was unsuccessful and unsuitable for bankruptcy or Committal action.

### 6.2.3 Housing Benefit

- Direct Debits for HB went live in December 2007. Mail shots were sent out to encourage take-up although many customers are already paying on Standing Orders. This initiative is therefore primarily aimed at new debtors. Take-up is now over 250 clients (up from 180 last quarter).
- The service is working on a project to streamline invoice processing which will further improve the focus on recovering current debt and reduce the amount of arrears building up in future.

### 6.2.4 Corporate Debtors Unit (Sundry and Adult Social Care Debt)

- AUDDIS/paperless Direct Debits (DD) - this project, which will enable automated Direct Debits, is now entering the testing phase. AUDDIS will reduce the amount of administration needed to handle the growing number of accounts paid by DD. The project will later move on to investigate the possibility of implementing variable DD's, which could allow payment of Adult Social Care charges by this method.
- Performance indicators - improved performance indicators are being developed in line with national benchmarking data sets. These will enable Corporate Debtors managers to focus resources into lower performing debt areas and will also give senior managers a clearer view of the debt portfolio.
- The service continues toward the integration of the Debtors and Banking services and is currently recruiting to a management post to lead the integrated teams. This is designed to ensure that debtors systems (which handle billing) and banking systems (which handle payments and income) and supporting services are as co-ordinated as possible.

### 6.2.5 Parking Operations

- The 24 hour telephone payments system is now fully operational, allowing telephone payments to be taken outside of office hours. It is hoped that expanding the times at which payments can be made by phone will further improve recovery rates.
- A new web-based payments system is also operational, which links to the parking management system and provides the facility to view the vehicle parked in

contravention. This is in addition to the current system and both telephone / web system allow real time updating of the system.

- Sussex Police have agreed to run operation bluebird on a quarterly basis and the next operation is due in October. Ongoing campaigns to combat blue badge misuse should help protect income.
- Additional resources are currently being recruited to support the implementation of the Traffic Management Act on 31 March, some of whom, at off peak times, will be allocated to the tracing of persistent evaders. Relevant staff will be trained in the use of on-line tracing services with the aim of improving the recovery rate.

## **7 CONSULTATION**

- 7.1 No formal consultation has been undertaken in relation to this report.

## **8 FINANCIAL & OTHER IMPLICATIONS**

### Financial Implications:

- 8.1 Included within the body of the report.

Finance Officer consulted: Nigel Manvell

Date: 7/09/2008

### Legal Implications:

- 8.2 The council has a duty of best value and a general fiduciary duty to council tax payers to act with financial prudence. It is consistent with these duties to (a) make proper arrangements for billing and payment of income, monitoring of arrears and recovery of debts and (b) to keep the arrangements under review. All types of income to be collected by the council are subject to statutory rules and time limits for recovery. The Corporate Debt Management Group and the income collection teams must have regard to these in their collection and recovery processes.

Lawyer consulted: Abraham Ghebre-Ghiorghis

Date: 23/09/2008

### Equalities Implications:

- 8.3 There are no direct equalities implications arising from this report, although poor income collection performance and associated loss of revenues may reduce opportunities or access to services and employment for communities of interest. Poorly managed income collection could impact on the council's financial standing, which could affect opportunities for investment and partnership working that may be advantageous to particular areas or groups. An Equalities Impact Assessment has been undertaken on the Corporate Debt Collection & Recovery Policy.

### Sustainability Implications:

- 8.4 There are no direct sustainability implications arising from this report. However, it is believed that the reputation of the council's financial control framework and its ability to demonstrate sound budgetary control could have an impact on the willingness of other funding partners to invest in and with the council. This could affect the level of inward investment in respect of projects that contribute towards sustainability.



*Risk and Opportunity Management Implications:*

- 8.5 A risk assessment is undertaken in relation to the management of individual budgets including income targets.

*Crime and Disorder Implications:*

- 8.6 There are no direct prevention of crime and disorder implications arising from this report, although reductions in expenditure or service levels caused by not meeting income targets may impact on these issues.

*Corporate / Citywide Implications:*

- 8.7 The council's financial position impacts on levels of council tax and service levels and therefore has citywide implications. Income collection is an important element of the council's finances.

**9 EVALUATION OF ANY ALTERNATIVE OPTION(S)**

- 9.1 The report is for noting.

**10 REASONS FOR REPORT RECOMMENDATIONS**

- 10.1 Collection of income and management of debts is critical to the council's finances with over £300 million income collected. These quarterly reports will ensure that the council's lead member for finance is aware of the council's current performance and arrangements for continually improving income collection and recovery.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

- (1) Appendix A – Debt Collection Performance 2008/09
- (2) Appendix B – Aged Debt Profile – Quarter 1
- (3) Appendix C – Aged Debt Profile (Movement from Last Quarter)

### **Documents In Members' Rooms**

- (1) None

### **Background Documents**

- (1) None

## Debt Collection Performance 2008/09

Measure	Year-to-Date	Target	Forecast Outturn for Year	Distance from Target	Current Status	Movement (See Key below)	
<b>Debt</b>	<b>Performance Measure</b>						
Sundry Debtors	In-Year Collection Rate	76.0%	97.5%	90.0%	7.5%	RED	↑
Adult Services Debtors	In-Year Collection Rate	92.0%	95.0%	95.0%	-	GREEN	↑
Housing Rents	In-Year Collection Rate	98.0%	98.5%	98.0%	0.5%	AMBER	↑
Parking - PCN's Paid	Overall Collection Rate	58.7%	61.0%	61.0%	2.3%	RED	↓
BVPI9 - Council Tax Collection	In-Year Collection Rate	28.7%	96.1%	96.1%	-	GREEN	↑
BVPI10 - NNDR (Business Rates) Collection	In-Year Collection Rate	33.2%	98.5%	97.4%	1.2%	RED	↓
Rent from Managed Portfolio (commercial)	Collected within 4 weeks	72.4%	85.0%	72.4%	12.6%	RED	↓

13

Meets or exceeds target	GREEN	No change from last report	⇔
Less than 1% short of target	AMBER	Position has improved since last reported	↑
More than 1% below target	RED	Position has worsened since last reported	↓



## Aged Debt Profile (Quarter 1)

Debt	Debt Raised In Year £'000	Debt Outstanding £'000	Aged Debt Outstanding					
			<= 30 days £'000	<=60 days £'000	<= 90 days £'000	<= 6 months £'000	<= 1 year £'000	> 1 Year £'000
Housing Rent (Former Tenant Arrears)	0	1,458	0	25	15	79	160	1,179
Housing Rent (Current Tenants)	41,324	1,369	91	61	60	137	183	837
Sundry Debtors	6,998	6,089	1,406	769	1,000	976	636	1,302
Adult Social Care	3,120	7,087	3,590	235	134	489	675	1,964
Council Tax	111,605	92,658	16,940		63,406	0	0	12,312
NNDR	91,343	65,788	21,890			42,278	262	1,358
Housing Benefit Overpayments	4,363	3,546	279	183	144	467	559	1,914
Parking Operations (PCNs)	2,586	4,402	236	248	232	766	1,083	1,837
Commercial Rents (Cluttons)	7,509	834	526	4	6	298		

Figures spanning more than 1 period represent data where system or contract information cannot currently provide a more detailed breakdown. For example, we are able to determine that £21.890m of NNDR debt is less than 90 days old but are currently unable to analyse this further between 60 and 30 days old.

Debt	Aged Debt Outstanding as a percentage of Debt Outstanding					
	<= 30 days %	<=60 days %	<= 90 days %	<= 6 months %	<= 1 year %	> 1 Year %
Former Tenant Arrears	0.0%	1.7%	1.0%	5.4%	11.0%	80.9%
Housing Rent (Current Tenants)	6.6%	4.5%	4.4%	10.0%	13.4%	61.1%
Sundry Debtors	23.1%	12.6%	16.4%	16.0%	10.4%	21.4%
Adult Social Care	50.7%	3.3%	1.9%	6.9%	9.5%	27.7%
Council Tax	18.3%		68.4%	0.0%	0.0%	13.3%
NNDR	33.3%			64.3%	0.4%	2.1%
Housing Benefit Overpayments	7.9%	5.2%	4.1%	13.2%	15.8%	54.0%
Parking Operations (PCNs)	5.4%	5.6%	5.3%	17.4%	24.6%	41.7%
Commercial Rents (Cluttons)	63.1%	0.5%	0.7%	35.7%		



Aged Debt Profile (Movement from last quarter)

Debt	Change in Debt O/S £'000	Aged Debt Outstanding (Movement)					
		<= 30 days £'000	<=60 days £'000	<= 90 days £'000	<= 6 months £'000	<= 1 year £'000	> 1 Year £'000
Housing Rent (Former Tenant Arrears)	-259	-24	3	-19	-16	30	-233
Housing Rent	-120	8	-23	11	1	-31	-86
Sundry Debtors	-1,166	-1,358	24	-44	341	-144	15
Adult Social Care	1,674	2,232	-153	-311	192	-61	-225
Council Tax	77,221	13,554		62,133	-719	-1,578	3,831
NNDR	61,203	19,059			41,946	148	50
Housing Benefit Overpayments	-7	35	-42	-146	111	53	-18
Parking Operations (PCNs)	1,240	-15	61	47	248	301	598
Commercial Rents (Cluttons)	-483	-458	-37	4	8		

Debt	Aged Debt Outstanding as a percentage of Debt Outstanding (Movement)					
	<= 30 days %	<=60 days %	<= 90 days %	<= 6 months %	<= 1 year %	> 1 Year %
Housing Rent (Former Tenant Arrears)	-1.4%	0.4%	-6.5%	5.4%	3.4%	-1.4%
Housing Rent	1.1%	-1.2%	1.1%	0.9%	-1.0%	-0.8%
Sundry Debtors	-15.0%	2.4%	2.0%	7.3%	-0.3%	3.6%
Adult Social Care	25.6%	-3.9%	-6.3%	1.4%	-4.1%	-12.7%
Council Tax	-3.7%		60.2%	-4.7%	-10.2%	-41.7%
NNDR	-16.7%		-11.7%	57.0%	-2.1%	-26.5%
Housing Benefit Overpayments	1.0%	-1.2%	-4.1%	3.2%	1.5%	-0.4%
Parking Operations (PCNs)	-2.6%	-0.3%	-0.6%	1.0%	-0.1%	2.5%
Commercial Rents (Cluttons)	-11.6%	-2.6%	0.6%	13.7%		





# FINANCE CABINET MEMBER MEETING

## Agenda Item 42

Brighton & Hove City Council

**Subject:** Fees & Charges Policy  
**Date of Meeting:** 13 October 2008  
**Report of:** Director of Finance & Resources  
**Contact Officer:** Name: Nigel Manvell Tel: 29-3104  
E-mail: [nigel.manvell@brighton-hove.gov.uk](mailto:nigel.manvell@brighton-hove.gov.uk)  
**Key Decision:** No  
**Wards Affected:** All

### FOR GENERAL RELEASE

#### 1. SUMMARY AND POLICY CONTEXT:

- 1.1 To update the Cabinet Member for Finance about recent developments in relation to discretionary charging and the application of fees and charges to support policy priorities and service aims. The report also recommends a Corporate Fees & Charges Policy for consideration. The primary aim of the policy is to ensure that fees and charges are set and reviewed consistently and that they are not counter to the council's corporate priorities and/or service aims and objectives.

#### 2. RECOMMENDATIONS:

- 2.1 That the Cabinet Member for Finance notes the contents of the report.
- 2.2 That the Cabinet Member for Finance agrees the proposed Corporate Fees & Charges Policy at Appendix 1 which should come into force for the 2009/10 budget setting cycle for proposals to change fees and charges (other than by inflation) and in full from the 2010/11 cycle as part of the Medium Term Financial Strategy and that the report be referred to Cabinet.

#### 3. RELEVANT BACKGROUND INFORMATION:

- 3.1 Charging for services is a key source of funding for local authorities and has become increasingly so in recent years. In 1999, the Audit Commission carried out a review leading to the publication of the "Price is Right" report which led many authorities to comprehensively review income generation and charging. This report also recommended extending discretionary charging powers which were taken up in a 2001 White Paper. Many of the recommendations found their way into the Local Government Act 2003 which gave new discretionary charging powers to best value authorities.
- 3.2 Discretionary charges can be made for any service where provision is in excess of statutory duty and where it does not contravene other relevant charging regulations. The discretionary powers allow authorities to:
- Charge for discretionary services if the recipient agrees
  - At most, recover only the cost of providing discretionary services

- Charge some or all recipients or apply differential charges
- Charge for services provided under subsidiary or well-being powers subject to other legislation
- Charge for services provided through a trading company which may then include a profit element

3.3 There is a general recognition that local authorities have been slow to take up the discretionary charging powers in the 2003 Act. A 2006 Local Government Association survey showed that 75% of authorities were not using the powers. As a consequence, the Audit Commission has revisited this area and in January 2008 published the report “Positively Charged”.

3.4 The Audit Commission’s review showed that unitary authorities recover on average 10% of total service expenditure through fees and charges and that over one quarter of councils generate more through fees and charges than through Council Tax. Brighton & Hove City Council recovers 13½% of its service expenditure from fees and charges (compared to 16% from Council Tax), however, this is distorted by higher than average income from sustainable transport and cultural venues compared with many authorities. The key points from the “Positively Charged” report are as follows:

- Charges can be set to encourage or discourage people to use services and, through concessions, to target services at particular groups.
- They can also be used to ration services and other resources where demand is high or where overuse is deemed undesirable.
- Councils have used charges and concessions to pursue local objectives, such as encouraging recycling and composting; reducing congestion; and promoting participation in sports and leisure activities by target groups to reduce health inequalities.
- In choosing how charges are used, councils and central government make an important political decision – which users should pay for which services and which services should be subsidised by taxpayers.
- Only one in five councils believes it uses charging to its full potential and the powers introduced in 2003 to charge for discretionary services have remained largely unused by councils.
- Nearly half of all councils have no agreed policy to guide their decisions on the use of charges.
- Local politicians’ decisions on charging are often ill informed. Budget information is mostly presented to councillors net of charging income, making it difficult for them to see the contribution to spending and at what level services are being subsidised.
- Decisions on levels of charging are most often driven by corporate income targets, historic charges and by levels in neighbouring councils rather than knowledge of the likely impact on use of services.
- Councils’ perceptions of local opposition to charges are not always backed up with robust evidence. The public is more receptive to charging for some services than is often assumed. People are more willing to pay charges where they can see what they are getting for their money and have a degree of choice.
- People believe they get value for money from almost all of the local authority services for which they pay charges.

- A lack of public understanding about the levels of subsidy councils provide or the purpose of charges undermines public confidence that charges are being used well.
- Councils will need to change their approaches to charging if they are to use it to achieve their financial and strategic objectives.
- Councils need to understand better the likely impact of charges on users, and on patterns of service use.
- Councils need to communicate better about the purpose of charging, and be accountable for their charging decisions.

3.5 In 2005, the Chartered Institute of Public Finance (CIPFA) produced a practical guide on discretionary income generation. The main areas recommended for consideration in the guide are:

- Cultural and related services
- Environmental Services
- Planning and Development Services
- Highways, Roads and Transportation – including trading possibilities
- Housing General Fund
- Social Services – mainly in terms of selling services to other providers
- Excess capacity – particularly as a trading possibility.

### **Local Position**

3.6 The Audit Commission have provided an income profile toolkit, similar to the Value for Money profiles, which allows authorities to compare charging with comparator groups. As mentioned above, Brighton & Hove (at 13.5%) is above the average (10%) in terms of the amount of expenditure recovered through fees and charges. However, when sustainable transport is removed, the remainder of our highways and transportation income is about average along with environmental charges, educational, social services, central and other charges. Although cultural services income is above average, we might expect this to be even higher given that we have significant cultural venues and much higher visitor numbers compared to most comparator authorities.

3.7 In respect of the main findings of the Audit Commission review, the situation in Brighton & Hove is as follows:

- i) BHCC does not have a corporate charging policy;
- ii) BHCC does not make significant use of discretionary charging powers;
- iii) BHCC does review major sources of income annually in accordance with Financial Regulations but these are not always systematically reviewed in relation to some or all of the factors below:
  - cost of provision and being explicit about subsidies and the reasons for those subsidies;
  - comparable charges made by competitors or other comparator authorities;
  - potential impacts on demand;
  - whether the charging structure supports council priorities and/or service aims and objectives;
  - potential concessions or differential charging to support service aims.

- iv) BHCC may not be systematically identifying new charging opportunities for discretionary services.

3.8 The Value for Money programme is beginning to ensure that income generation and charges are being reviewed more robustly and a number of directorates have identified improvement projects relating to generating new sources of income. However, the VfM programme can only focus on specific areas and does not ensure that all areas of income are systematically reviewed.

3.9 The Audit Commission report has found that in not taking a systematic approach with political support could lead to significant under-recovery of costs and often poor value for money (e.g. high unit costs) in discretionary services as a result. The Audit Commission also considers that local authorities underestimate the level of charges that would be considered fair or reasonable by service users. Locally, recent decisions have seen significant changes to charging levels and new charges introduced but this has not been consistent across all service areas.

### **Subsidies and Concessions**

3.10 The use of concessions is the most obvious way of linking corporate objectives to the issue of charging. Concessions are used as a mechanism for promoting access to services for those who may otherwise be excluded. The full potential of concessions to tackle social exclusion issues is not always considered in designing charging structures. The Audit Commission considers that concessions are often managed at a directorate or even service level whereas a corporate framework should be developed to ensure continuity and consistency.

3.11 There are a number of concessions available around the council and it is considered appropriate to take this opportunity to review what concessions are available, what evidence is required to attain the concession, what benefits are received and for what reason the council is offering the concessions. Overtly stating the objective that the council is attempting to achieve will give the process greater focus and credibility. Having agreed the objectives, monitoring would need to be undertaken annually to ensure that the objective is still relevant and that the concession is achieving the desired outcome.

3.12 With regard to subsidy, if the council were to adopt a different approach by exposing levels of subsidy by service provided, the decision to recover only a small proportion of costs through charging would highlight how much is therefore funded by the council taxpayer. This should assist decision-making in that it will highlight the lower level of charges in certain areas. This does not mean that it will lead to an alternative methodology being adopted but it should ensure that subsidies are overtly agreed rather than persisting simply due to historic reasons.

3.13 Any subsidy should be linked to the overall corporate aims and objectives of the council. This approach will undoubtedly take time to implement as there will be a significant amount of work to be done to establish unit costs and subsidies (some areas more than others). This process will need to be integrated into either value for money reviews and/or existing performance indicator requirements and become part of a developing performance management process.

### **Corporate Fees & Charges Policy**

- 3.14 The Audit Commission report made a number of recommendations that the council is recommended to adopt in the development of a Corporate Fees & Charges Policy for the City Council. The recommendations were that:
- i) Councils should undertake regular reviews of their approaches to charging, both within service areas and across the whole council.
  - ii) Finance officers should ensure that the income from charges, and the level of subsidy this provides for service areas, are transparent for councillors and inform the decision-making process.
  - iii) Service managers should, where it is cost effective to do so, collect and use information on who is and is not using services and how service users and non-users respond to changes in service charges and assess whether equality and diversity objectives are being achieved.
  - iv) Finance officers and service managers should thoroughly understand the costs, including overhead and capital costs, of services for which charges might be applied.
  - v) Service managers should, wherever possible, benchmark with the public, private and voluntary sectors not only the level of charges made for services but the costs of service delivery, levels of cost recovery, priorities, impact achieved and local market variations.
  - vi) Councillors and managers should understand better the non-financial contribution of charging to service and strategic objectives.
  - vii) Councils should engage service users and taxpayers more in decisions about whether and at what level to charge for services.
- 3.15 To ensure that fees and charges are systematically reviewed within an appropriate framework, these recommendations have been embedded in a proposed Corporate Fees & Charges Policy provided at Appendix 1. The policy is deliberately brief in order to provide a useful framework for carrying out reviews of fees and charges. It is closely linked to the budget setting framework and the key aim is to ensure that, as a minimum, all current and potential fees and charges are effectively reviewed on a regular basis and identified as part of the budget process, although this does not preclude reviews and research being conducted at any time, for example, as part of Value for Money reviews.

### **Budget Setting Process**

- 3.16 When charges are budget driven the focus can tend to be on the total income figure alone. The link between charging and corporate priorities or service objectives is therefore not always made and decisions can be made in isolation from their effects on service users. Charging decisions driven by the budget process also tend to be low risk i.e. last year's charge plus inflation.
- 3.17 The budget process is, however, an appropriate time to conduct a review of charging as there are inevitable links to the financial position of the authority. To ensure an effective process of reviewing, it is recommended that all budget holders be required to work with the council's finance function to review relevant current and potential areas of charging using the policy framework and the matrix at Appendix 2 as a review guide.

- 3.18 At the end of the budget process, the council should be clear that fees and charges will:
- be applied to all discretionary services where this contributes effectively to council priorities and service objectives;
  - adequately recover the cost of provision to ensure value for money. If not, the charge should be further reviewed or discontinuation or reduction of the service considered;
  - contain subsidies and concessions only where these support council priorities, service objectives or value for money.

#### **4. CONSULTATION**

- 4.1 No formal consultation has been undertaken for this report.

#### **5. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

- 5.1 As mentioned in the report, fees and charges are a major source of council revenue and should be kept under regular review and maximised, where this supports council priorities, to minimise the impact on the general council tax payer. The impact of decisions on specific fees and charges levels will be considered by the executive and/or Full Council as appropriate either as part of revenue budget proposals or separate fees and charges proposals.

*Finance Officer Consulted: Nigel Manvell*

*Date: 29/09/08*

##### Legal Implications:

- 5.2 The Council has legal powers, including the charging and trading powers under the Local Government Act 2000, to implement the principle of the proposals in the report. However, a number of the fees and charges we collect (such as those relating to licensing and planning) are prescribed by regulations or subject to specific statutory limits. In some cases, the fees and charges are subject to special procedures. All these need to be complied with as part of the implementation process.

*Lawyer Consulted: Abraham Ghebre-Ghiorghis*

*Date: 30/09/08*

##### Equalities Implications:

- 5.3 Fees and charges must be set in the context of corporate priorities and service aims and objectives and must be designed, using concessions or subsidies if appropriate, to ensure that they promote inclusion and/or do not restrict access to services inappropriately. The proposed policy stipulates that Equality Impact Assessments will be required for new or significant changes to fees and charges.

##### Sustainability Implications:

- 5.4 Fees and charges should only be charged where there are clear benefits to the service user and where charges are easy and cost-effective to administer and collect.

Crime & Disorder Implications:

- 5.5 There are no direct crime and disorder implications.

Risk and Opportunity Management Implications:

- 5.6 The absence of a corporate approach to setting, reviewing and implementing fees and charges could mean that there is a risk of unintentional exclusion, restricted access to services as well as fees and charges not being maximised.

Corporate / Citywide Implications:

- 5.7 Fees and charges are a significant source of revenue funding and contribute to the council's overall financial position which impacts on levels of Council Tax and service levels and therefore has citywide implications.

**6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 The absence of a defined approach to, and policy for, setting and reviewing fees and charges is contrary to Audit Commission best practice recommendations as highlighted in the body of the report. This could potentially be adversely reflected in the external auditor's assessment of the council's use of resources under the Comprehensive Area Assessment framework.

**7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 Fees and charges are an important source of funding for local authorities but recent Audit Commission reports indicate that authorities are not systematically reviewing current or potential areas of charging. This report aims to ensure that there is an appropriate corporate focus on fees and charges and a systematic approach to setting and reviewing charges.

**SUPPORTING DOCUMENTATION**

**Appendices:**

1. Corporate Fees & Charges Policy

**Documents In Members' Rooms**

1. None

**Background Documents**

1. None





# CORPORATE FEES & CHARGES POLICY

## 1 POLICY OBJECTIVES

- 1.1 The management of fees and charges is fundamental both to the financial performance of the City Council and also the achievement of the Council's corporate priorities. This policy will form a key element of the council's medium term financial planning and will ensure there are links to the annual budget setting process. As such it contributes to the achievement of one of the Council's 5 corporate priorities – "Making better use of public money".
- 1.2 The Corporate Fees & Charges Policy addresses the requirement for a more corporate approach to the issue of fees and charges and provides a clear policy framework within which to conduct annual or other reviews of fees and charges.
- 1.3 Fundamentally, the policy aims to increase the proportion of income contributed by users of services where appropriate, rather than the cost being met from the general Council Taxpayer.

## 2 SUPPORT FOR CORPORATE PRIORITIES

- 2.1 Fees and charges should be used to assist in the delivery of the Council's corporate priorities and to address strategic and cross cutting issues between directorates.
- 2.2 Reviews of fees and charges should consider what corporate priorities the service contributes to, why we are providing the service at all and who benefits. Where there is conflict in the achievement of the Council's corporate priorities, the advantages and disadvantages of the competing, often incompatible, objectives will need to be clearly set out as part of the review.

## 3 INCOME AND CHARGING PRINCIPLES

- 3.1 The following principles shall apply in all cases, unless a budget holder can show that, in respect of a particular service, there are sustainable policy or operational reasons why they should not. Any exception to these principles will need to be justified by demonstrable evidence of policy or other operational reasons.
  - i) As a minimum, all charges and fees will be reviewed annually as part of the budget and service planning process, with a view to ensuring that they remain in accordance with this policy.
  - ii) That all services are regularly examined to establish potential new sources of income. In particular, this includes charging for discretionary services under the Local Government Act 2003.

- iii) All charges and fees should be compared with “nearest neighbours” (or other relevant comparator group including the private sector where appropriate).
- iv) That charges for services provided should be set to recover costs, including central overheads and capital financing, or to a defined subsidy level agreed by the Council.
- v) As a minimum, all charges and fees will automatically be raised by the rate of corporate inflation each year.
- vi) Services should seek to minimise the subsidies associated with a service unless specifically agreed as a corporate objective.
- vii) That the principles in iii), iv), v) or vi) above will apply unless it can be demonstrated that:
  - There will be an anticipated negative effect on service usage which is contrary to corporate priorities;
  - Prevailing or comparable public or private sector market rates dictate charging levels;
  - There are prohibitive legislative factors;
  - There are legitimate concerns about anti-poverty issues.
- viii) In addition, charges should not be levied on those services where:
  - It is difficult to establish the beneficiary;
  - Charging would not be cost effective to collect;
  - There is no legal basis to charge for a service;
  - Charging would be counterproductive.
- ix) The use of charging, and therefore income generation, must be fully considered in any capital investment decisions.
- x) The Executive (Cabinet/Cabinet Member) should agree which services do not need to achieve full cost recovery in light of the corporate plan and or other priorities.
- xi) That inclusion, anti-poverty and other concessions should offer a flexible discount from the gross charge and that no concession should result in a nil charge unless specific approval is sought.
- xii) The design of charging structures should consider differential pricing as a tool if the following conditions apply and the law allows;
  - Target groups respond differently to prices;
  - The targeting of specific groups is envisaged;
  - The resulting charge structure is clear, cost effective to collect, and is not regressive.
- xiii) Fees and Charges will not be used in such a way that would restrict access to information.

#### **4 CLARIFYING THE COST OF SERVICE AND THE BASIS OF CONCESSIONS**

- 4.1 It is important to clarify the cost and the extent to which the council subsidises services and to identify which disadvantaged groups should benefit from any concessions granted.

4.2 Reviews of fees and charges will consider the following issues:

- Clarify whether there is any subsidy on the service (i.e. the cost of providing the service compared to the income generated for that service), and whether that subsidy should remain.
- Identify any differences between the existing income position and that following any changes proposed. The implications of introducing any changes must be explored, with transitional arrangements (e.g. phasing in changes over a set period) where necessary.
- How much is the service valued, and how willing are clients to pay?
- What standards and targets are applied to each area of service?
- Clarify the concessions offered, the basis on which it is offered and to which target or disadvantaged group.
- Consider the value for money of the service. Are the benefits, unit costs and outcomes of the service providing effective value for money? If not, consider changing the charging structure, reducing or discontinuing services, or achieving cost efficiencies in the delivery of the service.

4.3 The following is a list of suggested, but not exhaustive, target areas/groups that could be considered when investigating concessions where the law allows:

- Worklessness
- Older People
- Young People
- Students in Full Time Higher Education
- Community Groups
- Those in receipt of benefits
- Residents of the city

## **5 ANNUAL REVIEW OF FEES AND CHARGES**

5.1 As a minimum, directorates will be required to carry out an annual review of fees and charges in line with the guidance set out in this Policy, and in accordance with the budget timetable.

5.2 Any practice of simple annual increments in charges in line with the corporate rate of inflation is inappropriate, as is an approach that simply compares prices with neighbouring authorities, without taking into account other local factors, comparator authority charging levels and the achievement of Council priorities.

5.3 Directorates must ensure that detailed Management Information is available to give the relevant user information necessary to make valid decisions.

5.4 Fees and Charges reviews should be part of medium term service and financial planning with clear links to the annual budget setting process.

5.5 Fees and charges reviews should have an Equalities Impact Assessment where appropriate.

## **6 SUMMARY**

6.1 The management of fees and charges is fundamental to the financial performance of the Council, and this policy addresses the requirement for a more corporate approach and provides a clear framework within which to operate.

## Budget Process – Fees and Charges Analysis

For each fee/charge, the following analysis will be undertaken by budget holders with the appropriate finance officer:-

Service Name	
Budget Holder Name	
Description of Charge/Fee	
Budgeted Value £000	
Is the charge set by statute?	
When were the charges last reviewed?	
When are the charges/fees planned to be reviewed next	
Who approves changes to your charges?	
What is the rationale for the levels of charge?	
When was the fee income last compared to the cost of providing / delivering the service?	
How sensitive is demand to changes in price?	
Please provide brief details of any concessions policy that you have?	
How do you deal with the annual inflationary increase added to your income targets?	
Are there any services that are offered free where a charge could be made?	
Are there any additional services that you could offer and levy a discretionary charge?	

