



**REPORT of
DIRECTOR OF FINANCE**

**to
STRATEGY AND RESOURCES COMMITTEE
24 SEPTEMBER 2026**

DISCRETIONARY FEES AND CHARGES POLICIES 2027 / 28

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to set out the overarching principles through which Discretionary Fees and Charges will be set for 2027/28 financial year.
- 1.2 The detailed schedule of Fees and Charges will be updated based on these policies and brought forward alongside the budget proposals for 2027/28. The Strategy and Resources Committee will consider both the detailed schedule of fees and charges and the overall budget before agreeing any required changes and recommending the updated papers to the Council for approval.

2. RECOMMENDATION

That the overarching principles for discretionary Fees and Charges policies at 3.2.2 of this report be approved.

3. SUMMARY OF KEY ISSUES

- 3.1 Not all fees and charges are set locally. A large proportion are set nationally. For nationally set fees and charges the Council is required to advertise and apply the charges in line with national guidance.
- 3.2 **Discretionary Fees and Charges – Policy Considerations**
- 3.2.1 For locally set ('discretionary') fees and charges, the Council will follow the timetable below:
- September – confirmation of principles
 - November – proposals for changes (revised tariffs, new or deleted tariffs) to be presented to the Committee
 - December – finalisation of proposals to be included within budget plans for the new year.
- 3.2.2 Throughout, the following factors need to be considered in setting charges for the coming year:

Ref	Principle	Commentary
A	Annual review	All discretionary fees and charges should be reviewed annually in terms of the tariff applied, recent activity trends, and the overall income achieved.
B	Promote	The Council exists to provide important services to local

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	access to services	people. Fees and charges should be applied in a way that promotes access to discretionary services. They should not be a barrier to services.
C	Full cost recovery	Fees and charges for council services should be set on the basis of full cost recovery. That is, charges should be calculated such that all costs are recovered as part of the overall charge – direct delivery costs, indirect service management costs and overhead support costs (such as ICT, HR (Human Resources), accommodation etc.).
D	Non-profit making	Fees and charges are calculated to recover the full cost of the service provided, not to make a surplus or profit. Some cross subsidy may occur between charges levied in the same service area, but the overall objective is to support the cost of discretionary services not to secure a commercial profit.
E	Income = tariff x take up	The tariff or charge applied is one part of a wider value chain. The other part is the activity volume. Together, tariff and volume generate the overall income to the Council.
F	Standard +2% uplift	The MTFs (Medium-Term Financial Strategy) assumes a standard uplift of 2% per year on income from fees and charges. This may mean that • all charges increase by 2% per year; or • that some charges increase by more (or less) than 2%, with an expected overall increase of 2%; or • that activity is expected to increase by 2% in order to secure and overall income increase of 2% with no change to the tariff applied. However, where actual inflationary pressures are higher than 2%, it is expected that income is similarly increased to maintain the full cost recovery approach.
G	Inclusive	Options for concessionary reductions in fees and charges can be considered in line with wider council policies. How concessions are evidenced and applied should be simple, efficient and appropriate.
H	Benchmarked	The level of charges set be compared to similar charges levied by local commercial competitors or other local authorities.
I	Flexible over time	Annual review of fees and charges should also consider the introduction of new charges or the rescinding of old charges.
J	Consistent with other policies	Consistency between fees and charges and other wider policies and strategies of the council, including the corporate plan objectives.

4. CONCLUSION

- 4.1 The fees and charges policies will inform the setting of the 2027/28 fees and charges, which will be brought to a subsequent Committee.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

5.1 Delivering good quality services.

- 5.1.1 Regular review and updating of fees and charges ensure that the delivery of discretionary services is done in a way that is accessible and recovers the costs of service delivery in an appropriate and proportionate way.

6. IMPLICATIONS

- (i) **Impact on Customers** – Clear approaches to discretionary service charges promote trust in council services.
- (ii) **Impact on Equalities** – Appropriately inclusive charges for discretionary services helps ensure equity of access to all residents.
- (iii) **Impact on Risk (including Fraud implications)** – None directly.
- (iv) **Impact on Resources (financial)** – Fees and charges are an important part of the Council's income.
- (v) **Impact on Resources (human)** – None directly.
- (vi) **Impact on Devolution / Local Government Reorganisation** – In due course the fees and charges applied by this Council will be reviewed and revised as part of transition to a new Council. A clear policy approach to locally determined fees and charges will facilitate this process.

Background Papers: None.

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