

BUSINESS CASE TEMPLATE

Project Name	Review of fees and charges
Project Manager	<project manager>
Version	<version>
Date	<amendment date>
Report To	<directors board/procurement strategy group/itsg>

BACKGROUND AND REASON FOR PROJECT

The council faces increasing budgetary pressures while trying to maintain its role a supporter of communities.

As such the council is exploring new ways of raising revenue.

Increasingly councils are moving away from using historic prices to inform fees and charges, to understanding the true cost of providing or commissioning services and pricing accordingly, whilst recognising the service user’s need for the services being charged for, and their ability to pay.

BUSINESS BENEFITS TO BE GAINED FROM PROJECT

Many councils that do decide to move toward a true full cost recovery charging policy do see relatively large increases in fees, for instance Harrow’s charging policy led to an average increase in fees for discretionary services rising by ~4%. Potentially a large return for the council

HOW ARE THE BENEFITS GOING TO BE REALISED

Income from fees and charges.

Increased fees and charges should be pared with a realistic commitment from that service to operate more efficiently and so there would be service benefits as well.

COST AND TIMESCALE OF PROJECT

The project has no set-up or on-going cost apart form officer time setting-

up.

INVESTMENT APPRAISAL (Return on Investment/Value for Money)

Financial details would follow on from a review of fees and charges.

Risk to/from Plan	Initial Likelihood/ Impact	Mitigating Factors/Actions	Residual Likelihood/ Impact
Increased fees and charges are likely to be unpopular	High/medium	Other councils have implemented this without too much controversy. Many accept that paying the real price for a given service is fairer than being subsidised.	Low/low