



EMERSONS GREEN TOWN COUNCIL

Cost Recovery and Charging Policy

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Approved by: Finance & Partnership Committee

Next Review date: 3 years

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1. Purpose

This Policy establishes a framework for recovering costs and charging external organisations, including parish, town, district, unitary, and county councils, for services, expertise, facilities, and resources provided by Emersons Green Town Council.

The objectives of the policy are to:

- Protect local taxpayers from subsidising services provided to other organisations.
 - Ensure transparency, consistency, and fairness in charging.
 - Enable the Council to recover the full cost of providing services, where permitted by law.
 - Support collaborative working with other local authorities and public bodies.
 - Generate income that can be reinvested into local services for Emersons Green residents.
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2. Scope

This policy applies where the Council provides:

- Administrative services.
- Consultancy or professional support.
- Project management.
- Training and mentoring.
- Shared services.
- Grounds Maintenance.
- Event support.
- Procurement assistance.
- Equipment, facilities, or venue hire.
- Staff time for external organisations.
- Services provided to another council or public body.
- Any other service approved by the Council

This policy does not apply to statutory services provided free of charge under legislation.

3. Principles

The Council may determine charges using the following approach:

3.1 Full Cost Recovery

Charges will normally be set to recover:

- Direct staff costs.
- Employer costs (National Insurance, pension contributions, etc.).
- Equipment costs.
- Administration and finance costs/overheads.
- Insurance and compliance costs.
- Material and consumables.
- Training and support costs.
- Accommodation, travel and transport, and overhead costs.
- Any other attributable expenditure.

3.2 No Subsidy

Residents of Emersons Green should not subsidise services delivered to external organisations.

3.3 Transparency

All charges will be:

- Published where appropriate.
- Supported by a clear methodology.
- Subject to approval and review.

3.4 Fairness

Charges will be applied consistently to comparable organisations unless:

- A strategic partnership has been approved by Council.
- The Council has agreed a specific concession.

4. Charging Methodology

The Council shall maintain a schedule of rates and charges, reviewed annually, which may include:

- Staff daily rates.
- Machinery and vehicle rates.
- Management and supervision charges.
- Facility hire rates.
- Consultancy or professional service rates.
- Market rates where appropriate and lawful.

Rates should include salary, costs and overheads. Quotations will be provided upon request or following consultation.

For bespoke developments or implementation projects.

Charges may include:

- Staff time.
- External contractor costs.
- Travel expenses.
- Training delivery.

A written quotation shall be provided before work commences.

5. Service Level Agreements (SLA's)

Services provided under this policy shall normally be governed by a written Service Level Agreement setting out:

- Scope of Services provided.
- Support arrangements.
- Service/performance standards.
- Duration.
- Response times.
- Fees and payment terms.
- Responsibilities of each party.
- Data protection arrangements.

- Liability and insurance arrangements.
 - Health and Safety responsibilities.
 - Termination provisions.
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6. Fee Approval

The Town Clerk may approve arrangements within delegated authority and approved charging schedules.

Delegated Authority

The Town Clerk may:

- Set and amend fees within approved charging structures.
- Negotiate individual agreements.

Council Approval

Full Council approval shall be required for:

- New charging schemes.
 - Multi-year agreements.
 - Strategic partnerships.
 - Significant fee changes.
 - Significant financial risk.
 - Long term commitment
 - New service areas, or
 - Trading activities outside normal operations.
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7. Annual Review

Charges shall be reviewed annually and may be adjusted to reflect:

- Inflation.
 - Staff cost increases.
 - Increased support requirements.
 - Market conditions.
 - Changes in legislation.
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The review shall be undertaken as part of the annual budget-setting process.

8. Concessions and Discounts

The Council may approve reduced fees where:

- There is a demonstrable public benefit.
- The recipient is a not-for-profit organisation.
- The arrangement supports regional collaboration.
- The Council receives reciprocal benefits.

Any concession must be documented and approved by resolution by a meeting of Emersons Green Town Council.

9. Invoicing and Payment

- Invoices shall normally be issued monthly in advance (or quarterly by arrangement only).
 - Payment shall be due within 30 days.
 - Late-payment interest may be charged in accordance with legislation and contractual terms.
 - Services may be suspended for persistent non-payment.
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10. Surpluses

Where charges generate income in excess of that required for reasonable cost recovery, the Council will ensure that any surplus is applied in a transparent and equitable manner. Any surplus arising from external service provision shall be used for the benefit of the Council's area and residents in accordance with approved budgets and the Council's Financial Regulations. This may include:

- Reinvesting in service improvements and enhancements;
 - Reducing future charges where appropriate; and
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- Creating or maintaining reserves to fund system replacement, major maintenance, and future service upgrades.
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11. Monitoring and Reporting

The Responsible Financial Officer shall report annually to Council on:

- Income and expenditure.
- Costs incurred.
- Cost recovery achieved.
- Outstanding debts.
- Recommended fee changes.
- Identify any significant surpluses or deficits.

12. Equality and Transparency

The Council will apply this policy fairly and consistently and will ensure that charging decisions are transparent, auditable, and compliant with relevant legislation and good governance principles.

13. Legal Powers

The council may provide services under:

- Section 1 of the Localism Act 2011 (General Power of Competence)
- Section 111 of the Local Government Act 1972.
- Section 101 of the Local Government Act 1972.
- Any other applicable statutory powers.

The Council shall ensure that all activities are conducted within the law and in accordance with proper accounting practices and statutory guidance.

General Power of Competence

If the town council holds General Power of Competence (Localism Act 2011, S.1), the policy can be broader because the council may undertake activities that an individual generally may do, subject to statutory limitations. However, there is an important distinction:

- Cost recovery arrangement can still be undertaken directly by the council.
- Commercial trading for profit under the General Power of Competence generally requires a company structure (Local Government Act 2003 and Localism Act 2011 provisions).

Emersons Green Town Council will adopt a charging policy that provides for both cost recovery and, where legally permissible and approved by the Council, commercial charging arrangements that support the sustainable delivery and development of services.

14. Review

This policy shall be reviewed at least every three years.
