

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S REPORT TO CABINET

Date 10 September, 2014

REPORT TITLE: Charging Policy

Submitted by: Head of Finance

Portfolio: Finance and Resources

Ward(s) affected: All

Purpose of the Report

To gain approval to a revised Charging Policy in relation to the charges made by the Council.

Recommendations

(a) That the Charging Policy be approved.

Reasons

The Council's existing Charging Policy, which was approved in December 2008, has been reviewed and updated and is being submitted to Cabinet for approval.

1. Background

- 1.1 The annual income, which the Council receives in the form of fees and charges for the services provided to its customers, amounts, in total, to a considerable sum and makes a significant contribution towards reducing the Revenue Budget.
- 1.2 Whilst some charges are laid down by central government through legislation (statutory charges), or in some cases legislation limits what can be charged for or the level of the charge, in the majority of cases it is the Council which determines what charge, if any, shall be made. In some cases, charges are set to recover costs but in other areas this is not the case, there being a greater or lesser degree of "subsidy" to the service users.
- 1.3 The Charging Policy sets out the principles surrounding the making of charges to users of Council services and facilities. It demonstrates that the Council understands that the charges it makes have an effect upon those individuals and bodies, such as local businesses, which use its services and serves as a guide to service managers in proposing charges to be made and to members in considering and approving those proposals.
- 1.4 The current Charging Policy was approved by Cabinet on 3 December 2008. It is appropriate, therefore, to review the policy and to update it with whatever changes are required to reflect present circumstances.

2. Issues

- 2.1 The Policy seeks to demonstrate what the Council wishes to achieve through the charges that it makes. The principles to be followed in setting the charges are set out, including in relation to charges being set to recover costs, or not, and in respect of reduced charges when they apply to identified classes of users, for example, the elderly, young people, disabled users or the unemployed. The Policy recognises that charges, if set correctly, can

be an effective means of influencing behaviour, for example to direct users to particular facilities, to use facilities at particular times, to discourage anti-social activity or to encourage desirable activities.

2.2 The main areas covered by the Policy are:

- Links to corporate objectives and other policies and strategies
- Charging Principles
- Targets for income and monitoring
- Payment methods and facilities, including dealing with non-payment
- Review of charges
- Consultation and communication

2.3 The revised Charging Policy is attached at Appendix 1.

2.4 Although the Policy was originally produced in 2008, the majority of its contents remain valid today, with only a small number of updates being made, as outlined below:

- Paragraph 3.1 has been updated with the current corporate objectives;
- Paragraph 5.7 covers the offering of discounts to encourage the take up of a service or prompt payment;
- Paragraph 5.8 covers fines to deter inappropriate or antisocial behaviour;
- Paragraph 5.9 provides for continual review of Council activities to identify any potential for new charges to be made;
- Paragraph 7.4 has been added to say that the Council will strongly encourage service users to make payment electronically or via automated means;
- Paragraph 9.4 has been amended to permit commercially sensitive charges to remain confidential;
- Paragraph 9.6 covers the legal requirements for consultation with users and the giving of notice before applying a change in charges.

3. **Equality Impact Assessment**

3.1 Because of the wide variety of activities which are subject to fees and charges and the tailoring of some of them to suit particular types of customer there will be a differential impact, for example between adults/young persons, employed/ unemployed, pensioners/others, etc. The Charging Policy contributes towards demonstrating that full consideration is being given, in a transparent way, to these issues.

4. **Financial and Resource Implications**

4.1 Since the charging policy should determine the charges that are made, its application will affect the amount of income collected.

4.2 Some staff time will be required in collecting some of the data needed in order to apply the Policy.

5. **Earlier Cabinet Resolutions**

5.1 Approval of present Charging Policy - 3 December 2008.

6. **List of Appendices**

6.1 Appendix 1: Proposed Charging Policy.