

Classification: NULBC UNCLASSIFIED



CHARGING POLICY

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1. INTRODUCTION

- 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 Due to this and the impact that its charges may have on service users, it is important that there is a clear policy with regard to charging.
- 1.3 Not all services provided to customers are charged for. Many are provided free of charge or in some cases a charge is made but this does not recover the full cost of providing the service or facility.
- 1.4 There are various reasons for deciding to make a charge and for determining what that charge will be. The charge to be made will not always be determined purely by cost recovery considerations. In many cases charges can be used to assist in the achievement of the Council's corporate objectives, for example by encouraging people to take part in a socially beneficial activity by charging fees that they can afford, which may not necessarily fully recover costs.
- 1.5 This policy sets out what the Council intends to achieve through the charges it makes and the criteria which it will use to determine the level of charge for individual services.

2. SCOPE OF THE POLICY

- 2.1 This policy applies to all services that can, legally, be provided for a charge, where those services are provided by the Council or by other parties acting on its behalf. It does not apply to services provided via partnership arrangements, for example in respect of building control fees, although this policy will be borne in mind in any discussions the Council may have with partners in relation to setting charges in respect of partnership activities. It does not apply to those services where, by law, it is not permitted to make a charge or where an external party, such as central government, wholly determines the charge that is to be made.
- 2.2 Services as referred to in this policy also includes the supply of goods.
- 2.3 Charges are normally determined by members but may sometimes be determined by officers under delegated powers. This policy applies in both cases.

3. CORPORATE OBJECTIVES

- 3.1 The charging policy will be driven by the Council's corporate objectives. These currently are:
 - To create a Borough that is prosperous, clean, healthy and safe
 - To Create a Borough of opportunity
 - To Create a clean, safe and sustainable Borough To create a healthy and active community
 - A Co-operative Council delivering high quality, community driven services
- 3.2 Charges should be determined in such a way as to promote the achievement of these objectives and, just as importantly, so as not to frustrate their achievement.

3.3 These are high-level objectives, which set the overall policy direction. More detailed criteria will be applied, operating within these parameters, in determining whether to make a charge and in setting that charge. These are set out in Section 5 of this policy.

4. LINKS WITH OTHER POLICIES, STRATEGIES AND PLANS

4.1 Other Council policies, strategies or plans, or those of partnerships which the Council is a party to, may make reference to charging policies or to the levels or amounts of particular charges or types of charge. Where relevant, regard will be had to any such instances.

5. CHARGING PRINCIPLES

5.1 Charges should be made for services whenever the Council has a power or duty to do so.

5.2 There will be a presumption that charges to be made for the provision of a service will be set at a level intended to recover the cost of providing the service.

5.3 However, this presumption may be modified by the application of the charging principles set out at 5.5 below, which may result in no charge being made or a lesser charge being made or in some cases a charge being made which is greater than that required for cost recovery.

5.4 No charge will be made in cases where the Council is not permitted to charge by law. Where charges are set by external bodies, those charges will be applied. Where maximum or minimum charges are specified externally, charges will be set in compliance with those requirements.

5.5 The following matters will be considered when deciding whether to set a charge, which is not to be based on cost recovery. The headings in bold indicate general areas for consideration and the bullet points below them are particular factors which should be taken into account where relevant.

The cost of providing the service

- All direct costs are to be included.
- All overheads related to the provision of the service, which may be attributed to the cost of the service, are to be included.
- Best estimates may be made of costs where it is not practical to obtain precise data or identify precisely those overheads attributable to the service.
- Unit costs are to be calculated by reference to realistic user numbers based on actual experience, either in relation to this Council or, if appropriate comparable services elsewhere.

How much income is it desired to generate and why?

- Is the service required to make a surplus or break-even?
- Does income from the service make a significant contribution to reducing the net amount of the Council's revenue budget?
- Have any targets been set for the income or class of income of which it is a component?
- Is income needed to fund future investment?

Comparison of charges made by neighbouring or similar councils or other providers of similar services

- In making this comparison it will be necessary to establish whether the services being provided by these other bodies are comparable to those provided by the Council and to make adjustments where this is not so.
- Is there a logical reason for significant differences between this Council's charges and those of others?
- Will customers be lost to other service providers if charges are set too high?

Whose use of services is it desired to subsidise and by how much?

- Can all potential users afford to pay the full cost of the service or the same charges as other users?
- Is it desirable to subsidise all users of the service, for example because there is likely to be a desirable outcome for the community as a result
- Are there particular classes of users that should be subsidised, such as the unemployed, benefits recipients, the elderly, disabled persons or children?
- Should subsidies be given by reducing the charges payable or by offering concessions to offset the charge?

Whose behaviour is it desired to influence and in what ways?

- Is it desirable to influence users to use particular facilities, for example where they are under-used, by charging less for their use than for other similar ones?
- Is it desirable to persuade users to behave in a way which is more acceptable to the community in preference to any other or others less acceptable and can this be promoted by setting charges at a level which might achieve this?
- Is it desired to promote a particular pattern of use, for example short stay parking as opposed to another, such as long stay parking or to discourage peak time use of facilities?
- Should some behaviour or activities be discouraged by setting high charges or penalties?
- Can anti-social behaviour be reduced by charging for services which discourage people from behaving irresponsibly at a level which they will find attractive, for example charges for the collection of bulky waste to discourage fly-tipping?
- Are there desirable outcomes which the Council wishes to see realised, in line with its corporate objectives, which could be assisted through the charging regime, for example maintaining the economic vitality of the town centres through the provision of reasonably priced facilities such as car parking?

How will charges help to improve value for money, equity and access to services?

- What are users' perceptions with regard to what constitutes a fair and reasonable charge?
- Are there any issues relating to social inclusion or equalities?

Will the cost (including staff time) of collecting the income due outweigh the amount of income likely to be collected?

- Is it worth making a charge?
- Should a charge be made anyway as a matter of principle?

Any other relevant factors

It will be a matter for the Council to determine what the charge will be, based on its consideration of the above factors.

5.6 Where, without prior agreement by the Council, individuals or organisations engage in activities that result in a cost to the Council, the Council will seek to recover this cost, wherever possible.

5.7 Consideration may be given to offering a discount or other reduction, in appropriate cases, where it is felt that this may improve take up of the service or to encourage prompt payment, following consultation with the Executive Director (Resources and Support Services) who must approve all such initiatives.

5.8 Penalties, in the form of fines, may also be imposed in order to deter inappropriate or antisocial behaviour, for example littering. The amount of the fine will be set at a level designed to deter such behaviour.

5.9 Activities carried out by the Council will be continually reviewed in order to identify any new areas where it would be appropriate to make a charge to persons or organisations benefiting (actually or potentially) from those activities. The level of the charge will be determined in accordance with these charging principles.

6. TARGETS

6.1 Wherever possible targets will be set in relation to major areas of charging. These will relate to:

- The amount of income expected to be generated and which has been included in the Medium Term Financial Strategy and detailed budgets.
- Numbers of users expected to use the service
- Types of users expected to use the service
- Outcomes to be achieved through the application of the charges

6.2 The achievement of the targets set will be regularly monitored through the collection of data for performance indicators and the budget monitoring process.

7. PAYMENT METHODS AND FACILITIES

7.1 Charges may be collected either by requiring users to make payment at the time of service delivery (cash income) or at a later date following receipt of an invoice or notice to pay, or equivalent (credit income). In some circumstances potential users may be required to make payment in advance of receiving the service. Options employed in relation to particular charges will depend upon the circumstances applicable to the service and its users and will have regard to the convenience to users of the method chosen and the safeguarding of the Council's position in relation to the potential for non-payment.

7.2 Payment may be made by the following means:

- Cash
- Cheque
- Bank transfer
- Giro Account Transfer
- Credit or Debit Card in person
- Credit or Debit Card over the telephone
- Via the Council's internet site using credit or debit cards
- Direct Debit
- Via the PayPoint system

Options permitted in relation to particular charges will depend upon the circumstances applicable to the service and its users.

7.3 Facilities for the payment of charges will, wherever possible, be accessible and convenient.

7.4 Service users will be strongly encouraged to make payment electronically or using automated means in order to streamline the process, thereby reducing costs and providing added security and effectiveness.

7.5 There will be a presumption that all income due to be paid will be collected. Full use will be made of all remedies available to collect income in cases where users do not pay, including court action where necessary. In exceptional cases, if individuals or organisations have difficulty in paying the full amount due immediately, consideration may be given to agreeing arrangements for them to pay over an extended period of time.

7.6 Where individuals or organisations consistently fail to pay for services provided, such services will cease to be provided to them until all outstanding charges have been paid and they may, in future, be required to pay in advance of service provision or may be refused service provision where this can be applied.

7.7 Refunds of overpaid or wrongly paid charges will be made promptly once it has been established that a refund is appropriate.

8. REVIEW OF CHARGES

8.1 The Council's charges will be reviewed regularly to ensure that they are fit for purpose, continue to contribute to the furtherance of its objectives and, where set to recover costs, continue to do so.

8.2 Reviews will consider the following factors, plus any others relevant to particular charges:

- The income which is being collected at current charging levels and whether this is in line with budget forecasts
- The cost of service provision compared to the charges being made
- Whether a service being provided on the basis of charges being set to recover costs should continue to be provided in cases where costs appear likely to exceed the income which it can reasonably be expected to generate. This will especially apply where there is at least one alternative service provider, particularly from within the private sector.
- The use being made of the service, both in absolute terms and by reference to classes of users and whether this shows all classes are using the service to the extent intended or if any are being deterred from using the service
- Are concessions being taken up by the people at whom they are targeted?
- What is the impact, intended or unintended, of charges on local people?
- In cases where charges are set to either encourage or deter activity, whether this is happening and the extent to which it is happening
- Whether any related benefits from the charging policy being deployed are being realised and the extent of realisation
- Comparisons with charges being made by neighbouring or similar councils or by other organisations providing similar services both as to the level of charges and the impact which charges have on changing behaviour

8.3 The scale of fees and charges will be considered and approved by Cabinet on an annual basis. This does not preclude reviews of particular charges taking place at any time where it is felt that this is necessary.

9. CONSULTATION AND COMMUNICATION

9.1 The council recognises that the charges it makes to users of its services will have an impact on those users.

9.2 Information will be obtained in relation to the following areas in order to properly understand how charges affect users of services and their views with regard to charges made or proposed to be made:

- Opinions as to the appropriateness of levying a charge
- Opinions as to the correct level of charges to be made
- Whether any particular classes of users will have difficulty affording the charges or feel that it is unfair to make a charge to them
- How particular levels of charge will affect demand for services, i.e. either encourage the use of services or discourage particular activities
- Whether users feel that the service and the charges made for it represent value for money
- Whether users would be prepared to pay a higher charge for an improved service

9.3 This information may be obtained as part of general surveys, by using the e-Panel, specific surveys or by any other means which will be likely to provide a representative indication of user views or of the impact of charges upon them.

9.4 The Council's scale of fees and charges will be publicised via the relevant Cabinet agenda when it is reviewed annually and made available on its internet site and will be subject to scrutiny by the relevant scrutiny committees. Charges relating to specific services will be displayed or made available at service delivery points and from time to time in promotional material. Some commercially sensitive charges will, however, not be subject to such widespread publicity. At this time this only applies to trade waste charges.

9.5 Appropriate measures will be employed to ensure that the Council's charging objectives are clearly communicated to the public.

9.6 Where there is a legal requirement to consult service users or to give them a prescribed period of notice before applying a change in charges this will be done in accordance with any statutory provisions and in line with the Council's own procedures and consultation.