



Bassetlaw
DISTRICT COUNCIL
— North Nottinghamshire —

CORPORATE CHARGING POLICY

Revised: November 2021
Next review due: November 2024

This Policy applies to external fees and charges other than those prescribed by the government. It provides a guide to internal charging arrangements but is subject to CIPFA's 'Code of Practice on Local Authority Accounting'.

Over the period of the Medium Term Financial Plan 2022/23 to 2026/27 services will align their charges with this policy.

1. Purpose of the Policy

To establish a policy within which fee and charge levels will support the Medium Term Financial Strategy and Corporate Plan, and,

To encourage a consistent approach to the setting and reviewing of charges for services provided by Bassetlaw District Council by:

- specifying the processes and frequencies for reviewing existing charging levels or introducing new charges for areas of the council's work for which charges could in principle be set;
- providing guidance on the factors that need to be taken into consideration when charges are reviewed on an annual basis;
- establishing parameters for calculating different levels of charges;
- recommending the criteria for applying concessions or discounted charges on a consistent council wide basis;
- requiring more active use of market intelligence relating to different services.

2. Processes and Frequencies for Reviewing Charges

The following arrangements for reviewing charges will be applied throughout all areas of the Council where charges for services already exist or could in principle be set:

- a major review of each service's charging strategy will take place at least once every three years to ensure consistency with the council's priorities, policy framework, service aims, market sensitivity, customer preferences, and income generation needs, and the justification for any subsidy that the council as a whole makes to the service;
- annual reviews will be carried out for all of these services as part of the budget process, there being an expectation that fees will be at least indexed to inflation between major reviews;
- these formal reviews will be overseen by the Finance & Property portfolio holder and the Cabinet Member in whose portfolio the service in question lies;

- the relevant Head of Service may propose revisions to charges between annual reviews where this is considered necessary to protect usage and income in response to significant market developments.

3. Factors Relevant to the Annual Review of Charges

Annual reviews of charges will consider the following factors:

- inflationary pressures generally and input costs specific to the service;
- the actual or potential impact of any competition in terms of price or quality;
- trends in user demand and the forecast effect of price changes;
- customer survey results;
- council wide and service budget targets;
- cost structure implications arising from developments such as investments made in the service;
- consistency with other charges;
- alternative charging structures that could be more effective;
- proposals for targeted promotions during the year, and evaluation of any that took place in the previous year.

4. The Calculation of the Standard Charge

The Council will apply the concept of **Standard Charges** for most services where charges are applied. It should be applied to charges made by the Council to individuals, groups, organisations and other bodies for goods, services admission charges, use of facilities etc. (i.e. items in Sales, Fees and Charges budgets). It is not intended to apply to rents, internal charges or rechargeable works, nor will it apply where charges are governed by statutory regulation or guidance.

Standard Charges will apply to all users, and will be set at a level to maximise take-up and income targets and wherever possible covering or exceeding the full cost of providing the service in question. Any subsidy arising from standard charges being set at a level below full cost should be fully justified in terms of achieving the Council's priorities.

This calculation of full cost should be based on the direct cost of service provision including staff, supplies and services, equipment, premise costs. Overheads and capital asset depreciation charges should be included but

consideration may be given to a less than full cost recovery of these elements where inclusion would distort competition.

5. Concessionary Charges

The function of **Concessionary Charges** is:

To extend to all Bassetlaw district residents opportunities for improved social well-being in terms of health, safety, independence, educational achievement, lifelong learning and personal self-esteem'.

Entitlement to **Concessionary Charges** is designed to reduce barriers to participation arising from:

- Age;
- Level of income;
- Family circumstances;
- Educational circumstances.

Services wishing to adopt a concessionary charging scheme must demonstrate the scheme is practicable in terms of assessment, collection and evidencing for audit purposes.

Concessions will not apply to retail sales from shops or cafes.

Concessionary Charges may also be made available to organisations whose purpose is to assist the Council in meeting specific objectives in its priorities and policy framework, or which contribute to the aims of key local partnerships in which the Council has a leading role.

Concessionary Charges should not normally apply to peak times or in situations that would result in the loss of income from customers paying **Standard Charges**. Neither would they normally be available to organisations that are based outside of the Council's area other than on a reciprocal basis.

Only one concession can be applied to the **Standard Charge** at any given time.

Concessionary Charges relate to the following categories:

- Children under the age of 16;

- Holders of a valid Student Union card under the age of 19;
- Adults in receipt of state retirement pension or widows pension;
- Persons in receipt of a means tested benefit.

Cabinet will review the variations from **Standard Charge** from time to time but at least every three years. There should be no further variation to the levels of charges where the service or facility is clearly comparable.

6. Discounts

For certain services it will be normal practice to set **Promotional Discounts, Frequent User Discounts or Group Discounts.**

Promotional Discounts are defined as short-term charges that are targeted to increase take-up or awareness of the services that are available.

Frequent User Discounts are to be used only for commercial reasons such as generating customer loyalty where alternative provision from competitors exists, and where market analysis shows a real risk of reduced income if they are not offered.

Group Discounts are to be used to encourage take up by organisations able to block book and Family Discounts to encourage parents and children's take up.

Discounts can be applied to both the **Standard Charge** and the **Concessionary Charge.**

7. The Use of Market Intelligence

All managers of services for which a charge is made should take steps to identify competitors offering similar or related services, and make use of comprehensive and dynamic market intelligence in evaluating:

- their charging strategy;
- the range of services provided;
- the quality of services provided;
- their cost structure.

All managers of services for which a charge is made should consult with customers and interested groups on the range, quality and cost of services provided prior to the triennial review.

Consultation should also take place with potential customers and target groups to determine improvements needed to encourage participation at least every five years.

Comprehensive and accurate usage statistics will be maintained for all services and at all facilities where charges are made, to enable analysis of usage, justification of any subsidy given by the Council, and accurate forecasting of the effect of price changes on usage.

Benchmarking should be undertaken regularly with other Councils in the local area and with relevant national groupings of authorities, to ensure that charges are at comparable levels and that significant differences are understood and justified.