Appendix 2- Fairer Charging Policy

1. Introduction

This policy outlines our aims and principles for a fair approach to contributions made by an individuals, groups or businesses access Council-provided services. It covers:

- background to charging
- legislation, regulations and guidance
- scope
- policy statement and principles
- roles and responsibilities
- links with other policies and procedures
- policy review
- fairer charging procedures

2. Background to charging

Stockport Council has a legal obligation to set a balanced budget and to continue delivering a range of statutory services. The Council will need to be self-financing from 2020 due to changes in Central Government policy. As delivery costs and demand for statutory services continues to rise our ability to generate income through local taxation and existing fees and charges is no longer sufficient to cover the cost of these services. Stockport Council is able to charge for any service which it has discretion to provide and can also seek a contribution for care services provided to adults under Sections 14 and 18 of the Care Act 2014. In order to ensure that the Council is able to meet our statutory obligations we must introduce fairer charging policies in a range of other non-statutory services.

3. Legislation, regulations and guidance

The legal basis for charging is included in the Local Government Act 2003. In addition to existing statutory provisions which expressly authorise charging, Section 93 of the 2003 Act allows a local authority to charge for any services which it has discretion to provide. Charges cannot be made for any services for which there is a duty to provide or where legislation expressly prohibits the charging for discretionary services.

4. Scope of the policy

The Fairer Charging Policy has the potential to affect all public and business facing services. This Policy applies to all services currently provided by the Council except those covered by the Care Act 2014. Any costs covered by the NHS (either under Continuing Health Care or Funded Nursing Care) are also not subject to this policy.

5. Policy statement

The Council will apply a fair, consistent and transparent approach to charging for services where it is able to do so in order to protect front line services and fulfil our statutory obligations. The following principles will apply:

- Charging protocols will be linked to the Authority's priorities, outcomes and values and our statutory obligations
- We will strive to keep customers at the heart of what we do; charging decisions will balance the need to remain financially viable with our ambition to remain citizen/customer focussed
- All income generated will be reinvested to support the work of the authority and protect front line services and reducing the cost of service delivery is paramount
- Decisions to implement new charging protocols will be implemented consistently across all services with senior level oversight to ensure that the cumulative impact of changes are understood and the focus remains on reducing operating costs
- The impact of changing a charging protocol for a particular service will be taken into consideration when making a decision to use core funding to cover some or all of the cost of delivering a discretionary service
- We will routinely implement an annual review of costs including inflationary indicators through delegated authority to officers
- The approval of other increases in cost will be formalised and may differ depending on the nature of the service and the proposed increase in cost. Some delegated authority may still apply in clearly defined scenarios
- We will implement a standardised approach to refunds, where full refunds are only offered where there has been no significant financial outlay at the point of request and there is a reasonable expectation that the time allocated to deliver the service can be re-allocated
- Payment in advance of service delivery through improved digital channels will be our default cost recovery model. The ability to pay by cheque will be limited and by postal order will be withdrawn; where applicable, robust debt recovery processes shall be implemented
- Where appropriate and where we have a financial viable model, which is competitive in terms of cost and/or quality we will take steps to increase the Council's market share whilst also being mindful of the impact this may have on the local economy
- Where appropriate and where we have an unsustainable delivery model, which cannot be competitive in terms of cost and/or quality we will take steps

to withdraw from the market whilst also being mindful of the impact this may have on the local economy

6. Roles and responsibilities

The Council will ensure that:

- it maintains a regular high level oversight of all fees and charges so that the cumulative impact of charges on a specific cohort of customers is understood
- staff are aware of this policy and associated procedures and the charging policies applied by the Council
- adherence to the Policy is monitored and appropriate action is taken to address areas of concern; risks associated with an increased dependence on income will be managed

Corporate and Support Services play an important role in supporting the organisation to ensure the fair and consistent application of this Policy. Their role is to:

- support managers and employees on the interpretation and application of this policy;
- ensure that effective monitoring systems are in place and provide the senior leadership team and managers with accurate and timely management information;
- provide skills and knowledge-based training to enable managers to fulfil their responsibilities under this policy;
- advise and support managers on the application of associated procedures and guidance notes that support the policy .
- undertake regular (non-specific) reviews to understand satisfaction and impact upon different sectors of the community.

7. Links with other policies and procedures

The Fairer Charging Policy is part of the Council's approach to balancing the cost of services. In applying this Policy managers should also be aware of the following documents:

- Balancing the Cost of Services Strategy
- Trading Services Toolkit
- Care Act Policies (relating to the delivery of Adult Social Care)

8. Governance

This Policy is one of a suite of documents which underpins the Council's strategy to balance the cost of services and as such will be managed as part of these wider governance arrangements.

Accountability for the delivery of this policy sits with a combination of Heads of Service, Service Managers and the relevant Cabinet Member. The Traded and Growth team are responsible for the key activities including having oversight and facilitation of a Programme Board. The Programme Board will oversee implementation of the strategy and policy across the Council.

9. Policy Review

In general, this Policy will be reviewed on a biennial basis, initiated by the Council's Traded Services Team except where legislative changes or emerging Central Government guidance requires action.

Fairer Charging Procedures

10. Determining the correct charge for a service

The Council will use standardised approaches to calculate the cost of service delivery which will be applied consistently by managers and will be validated by a process of peer review and senior management oversight. The charge applied will include all relevant staffing costs and a contribution to the cost of overheads including building and running costs, cost of relevant ICT equipment and licences, asset depreciation and staff training.

In some cases the Council may choose not to seek full cost recovery and instead choose to use income raised by local taxation to subsidise the cost of service delivery. This is most likely to occur when:

- The service in question directly contributes to wider council objectives and seeking full cost recovery may have a negative impact on the achievement of these objectives
- The consequences of seeking full cost recovery may drive behaviour which detracts from Council objectives

11. Charging Requirements

The following table provides service managers with an agreed set of charging requirements to be applied consistently across the council.

Principle	Requirement
Payment for services in advance	• Payment method should be as efficient as possible to reduce the risk of bad debts or non-payment • Cost of collection should be economical to collect and in all but the exception of cases, payment should be received prior to the delivery of a service, ideally through improved digital channels

Principle	Requirement
	• Ability to pay by cheque will be limited and by postal order will be withdrawn • Where applicable, payments will be subject to terms and conditions
Automatic inflationary increases	• Each year, most existing charges will be increased by a minimum of the UK inflation rates and using CPI, unless there is a valid reason not to (e.g. demand would plummet).
Premium charging	• Can be applied to reflect an enhanced service or to meet additional demand • This could be used for customers who request a tailored service or is above the specification of the service costed
Debt recovery	• In relation to cases where payment has not been received after a service has been delivered, managers shall enforce debt recovery that have been raised against their budget • Debt recovery shall be carried out in accordance with the corporate recovery code policy statement
Refunds	• Refunds are not automatic nor guaranteed and where applicable subject to terms and conditions • Each service to ensure they have transparent T&Cs in regards to refunds • Consideration must be given to the cost of abortive / unproductive works, alongside the circumstances surrounding refund request • Whenever possible, refunds of debit/credit card payments back to clients or customers should be processed against the card used to make the original payment • Officers who processed a debit/credit card payment that is now being refunded should either ensure the refund is processed by a different officer that is authorised to process debit/credit card transactions; or ensure the refund is supervised and checked by an officer independent of the transaction while it is carried out

12. Reviewing charges and communicating change

All charges will be reviewed on a regular basis using an agreed process at which point we will take steps review the associated delivery costs and the impact of any efficiencies in service delivery. In accordance with the principles which underpin this Policy, we will routinely implement an annual review of costs based on inflationary indicators through delegated authority to officers except where the associated

delivery costs have been reduced in the previous 12 months. Fees and charges may be altered more frequently than this where cost pressures significantly alter.

In accordance with the Council's constitution there is no public consultation or engagement required when making a decision to change our charging protocols. Wherever possible updated fees will be published on the website prior to implementation, after being considered by the relevant process.