

STRATEGIC COMMISSIONING: GETTING MORE OUT OF OUR SPENDING

Proposal 8: Balancing the Cost of Services – Fairer Charging Policy

Lead Portfolio: Reform and Governance

1.0 Summary

- 1.1 The Council has developed a Fairer Charging Policy which outlines our aims and principles for a fair approach to contributions made by individuals, groups or businesses accessing Council-provided services.
- 1.2 The principles of the approach are to ensure that fees are set appropriately in order for us to recover our costs, whilst also delivering value to the public, at a price that is reasonable for the service.
- 1.3 One of the key principles of the policy is that where it is appropriate to charge for a service, we should ensure that we are making enough money from charging to cover the costs of delivering this service and if we cannot cover our costs we should consider stopping the service.
- 1.4 There are some services which we currently provide at no additional cost, or for a 'contribution'. For some of these services we will consider whether we could either introduce a charge or increase the charge to cover the cost of providing the service.

2.0 The Fairer Charging Policy

- 2.1 Due to changes in Central Government Policy the Council needs to be self-financing from 2020. 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. In order to ensure that the Council is able to meet its statutory obligations we must introduce fairer charging policies in a range of other non-statutory services.
- 2.2 The legal basis for charging is included in the Local Government Act 2003. The Act allows a local authority to charge for any services, which it has discretion to provide.
- 2.3 The Fairer Charging Policy has the potential to affect all public and business facing services and it applies to all services currently provided by the Council except those covered by the Care Act 2014 and any costs covered by the NHS.

- 2.4 The Policy includes twelve principles setting out the Council's approach to how it will apply a fair, consistent and transparent approach to charging for services.
- 2.5 There will be a standardised approach to calculate the cost of service delivery. Including staffing costs, overheads, 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 subsidise the cost of service delivery.
- 2.6 The Policy includes a table of charging requirements for managers to be aware of, so they can be applied consistently across the council.
- 2.7 In accordance with the principles which underpin this Policy, we will routinely implement an annual review of costs based on inflationary indicators. Fees and charges may be altered more frequently than this where cost pressures significantly alter.
- 2.8 In accordance with the Council's constitution there is no public consultation or engagement required when making a decision to change our charging protocols.

3.0 Scope

3.1 The following activity is in scope of this policy:

- All non-statutory Council services

4.0 Financial Summary

4.1 There are no financial savings directly attached to this proposal.

5.0 Key Timescales

Milestone description	Date Expected	Output at milestone
Final proposal to Scrutiny	22 nd January 2019	Scrutiny comments to Cabinet
Cabinet Decision	5 th February 2019	Cabinet approval of the Policy
Suggestions shared with Council Senior Managers	28 th February 2019	Identification of viable ideas for future savings proposals
(Subject to Cabinet approval) Implementation of the Policy	1 st April 2019	Implementation of the policy

6.0 Consultation Results

- 6.1 A public consultation was undertaken on the Council's approach to fees and charges between 26th November 2018 and 6th January 2019.
- 6.2 The consultation provided an overview of the Council's approach to fees and charges and included a copy of the eleven principles from the Fairer Charging Policy. The online questionnaire asked the public if they had any suggestions for other ways in which Stockport Council could generate income.
- 6.2 There were 27 response in total and of those, 22 provided responses to the question. The following is a summary of the suggestions that were submitted:

General Council Income and Expenditure

- Increase Council Tax by the maximum 3.99%
- Raise Council Tax by £5 per household per month
- Raise Council Tax by £10 per household
- Review Council Tax bandings based on energy efficiency
- Hire of council owned rooms
- Generate income from Council owned space/offices
- Corporate sponsorship
- Sell space for advertising eg A-Boards
- Increase business rates for larger businesses
- Lower business rates to stores in the Town Centre
- Charge for businesses operating in parks e.g. personal trainers
- Stop wasting money
- Stop borrowing money for schemes

Parking and Roads

- Speed cameras
- Sell car park spaces to residents to stop them parking on highways
- Increase parking patrols and fines issued
- Charge for residents parking
- Fine people for damage to grass verges and pavements caused by parking vehicles
- Make the A6 a toll road from Heaton Chapel to the Blossoms pub
- Turn off the motorway lights at night
- Turn off every other street light or use LED lighting

Council Staff

- Annual purchase scheme for staff
- Increase council staff volunteering to support the community
- Cut the number of Councillors
- Cut the number of Managers
- Review Council leader's salaries with a view to reducing them by a minimum of 10%.

All other suggestions

- Assess care packages differently
- Remove eligibility for free childcare parents based on level of income
- Use empty shop space better e.g. pop up shops fee
- Charge full costs for street signs
- Charge full cost for pest control
- Fines for littering
- Charge full cost for bin replacement
- Charge more for bulky waste collection
- Charge for placing and emptying bins near takeaways
- Encourage more people to go to work
- Charge for using computers in libraries
- Increase Fixed Penalty Notices for fly tipping and parking illegally
- Increase the £80 fine for breaches of S46 of the Environmental Protection Act
- Charge developers more in S106 agreements
- Increase council owned advertising locations and engage with local business to drive revenue through advertising sales.
- Include a marketing portal on Stockport website to assist local business and increase revenue.
- Review council property and lease out office space etc. to increase rental income. Even purchase some property that would drive rental income.
- Close some more libraries.
- Organise school community days to pick litter and keep the borough tidy.
- Cut subsidies to businesses (produce hall etc.)
- Charge utility companies severe financial penalties when they are late or cause undue delay in completing work on the highway

6.3 A full list of the responses received during the consultation period and demographic information about the respondents can be found in the Consultation Report in Appendix 8a.

7.0 Conclusion

- 7.1 Of the suggestions made, there are some we are already doing either in part or fully. There are some that are not within the Council's responsibility or are out of its control and some that we could potentially consider as areas to pursue.
- 7.2 Over the next couple of months, the suggestions provided during the consultation will be shared with all the Senior Managers across the Council. We will ask Senior Managers to identify potential areas that we can explore further as part of future savings proposals towards achieving the £47m budget reduction required over the next four years.
- 7.3 A number of suggestions received were in relation to services or charges that are out of the Council's control, such as making changes to free child care allowance thresholds. Therefore, we have added an additional principle to the Policy in response to this. The additional principle is "*Where the statutory charge set by an external third party is not sufficient to cover the actual cost of*

delivering the service, we will continue to be transparent about the actual cost of service delivery and we will work with our partners to communicate this to the relevant bodies.”

8.0 EIA

Equality Impact Assessment

Title: Fairer Charging Policy

Date: 11th January 2019

Stage: Final

Lead Officer: Michael Cullen

Stage 1: Do you need to complete an Equality Impact Assessment (EIA)?

Yes.

This proposal is an equality impact of the introduction of a new Fairer Charging Policy, which sets out the Council's future approach to setting and reviewing fees and charges for non-statutory services.

Stage 2: What do you know?

This policy will apply to all non-statutory services that the council currently charges for or that it may charge for in the future.

The following principles will apply to our future approach to fees and charges:

1. Charging protocols will be linked to the Authority's priorities, outcomes and values and our statutory obligations
2. 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
3. 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
4. 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
5. 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
6. We will routinely implement an annual review of costs including inflationary indicators through delegated authority to officers
7. 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

8. 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
9. 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
10. 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
11. 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

The council will still provide fair access to services in the same way it currently does. The only aspect that may change is the cost of receiving that service. Therefore there is no direct negative impact against the following characteristics as identified in the Equality Act 2010:

- Age
- Disability
- Gender reassignment
- Marriage and civil
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation.

Stage 2a: Further data and consultation

The Council will consider the impact on the protected characteristics when planning any future changes to fees for non-statutory services.

Stage 3: Results and Measures

In response to feedback from the Approach to Fees and Charges consultation where we asked for suggestions for how the council could generate income. A number of suggestions were received in relation to services or charges that are were out of the Council's control, such as making changes to free child care allowance thresholds. In response to this, we have now added an additional principle to the Policy. The additional principle is "*Where the statutory charge set by an external third party is not sufficient to cover the actual cost of delivering the service, we will continue to be transparent about the actual cost of service delivery and we will work with our partners to communicate this to the relevant bodies.*"

Stage 4: Decision Stage

Not applicable.

9.0 Appendices

Appendix 8a: Consultation Report

Appendix 8b: Fairer Charging Policy