

CBC Pricing Strategy

Introduction

Fees and charges are an important source of income to the Council, enabling services to be sustained and improved. The Council provides a wide range of services for which it has the ability to make a charge. These are either under statutory powers (set by the government) or discretionary (set by the Council). This is explained as follows:

Statutory charges

Charges are set nationally and local authorities have little or no opportunity to control such charges. These charges can still contribute to the financial position of the Authority. Income cannot be assumed to increase in line with other fees and charges.

For Example: Local Land Charges

Discretionary charges

Local authorities can make their own decisions on setting such charges. Generally, these are services that an authority can provide, but is not obliged to provide.

For Example: Green Bin or Bulky Waste collections, and the use of facilities such as Community Centre Hire.

Purpose of the Pricing Strategy

As part of the council's commercialisation journey and the current financial pressures, it is important that our fees and charges are understood and are set to enable the council to continue to provide good quality services.

Key principles

This strategy sets out the key principles that should be considered when setting fees and charges.

- The full cost of providing the service must be understood and will be determined by the following factors:
 - Establishing whether they are statutory or discretionary fees
 - Total expenditure including direct staff costs (delivering the service), indirect staff costs (involved in the process i.e. admin / payment) and equipment or vehicles used.
 - Current fees and charges
 - Current income
 - Current demand for the service
 - Market test costs with other LA's / service providers
- Fees and charges should be kept simple.
- Fees and charges will be set at a level that maximises income generation and recovers costs. At a minimum the service should break even and never run at a loss. If it is a discretionary service and running at a loss, then consideration should be given to whether we should provide the service directly.



- When considering discounts, the financial implications should be understood and thought should be given to how discounts will be funded i.e. other users from the same service pay for it, the council tax payer's generally or from other funding sources.
- The amount of discount applied should be no more than 25% of the total cost to provide the service.
- Discounts, where applied, will be on the basis of:
 - Crawley Resident discount
 - Customers in receipt of a means tested Benefit - Universal Credit, covers Job Seekers Allowance, Income Support, Housing Benefit, Council Tax Reduction Scheme (CTRS), Pension Credit Guarantee Credit and Employment Support Allowance (ESA).
 - Age (children, under 16 and seniors, over 67)
 - Support to those with a Disability or carers (Compass card)
- There should be flexibility to alter our pricing at any time in consultation with the relevant Head of Service and Cabinet Member, where appropriate. Especially when we have the market share in service delivery. Secondary spend may be delegated to the Service Manager in consultation with the relevant Head of Service.
- Our fees and charges will take into account the ability of our customers to pay and any relevant socio-economic factors.
- Where the Council develops new activities or revenue streams these may initially be offered as a "loss leader" to attract and build a customer base before reverting to a price that covers costs.
- The fees applied are rounded up, removing odd numbers.
- Payment for services should be collected in the most efficient and economical way possible, through direct debit or online payment methods, and accepted in advance of service delivery.
- Payments should be set up with the correct service budget codes and clear reference information to prevent any error or delay in payments being made.
- To support our channel shift agenda, automated and online payment methods will be incentivised by:
 - Easier access
 - Priority availability
 - Additional information and access to our marketing / mailing list
- Similarly, high cost payment methods such as cheques, will be disincentivised by the addition of a £12 admin fee.
- Cheque payments for services will not be accepted after the 31 March 2021.