

**Committee: Finance & Administration**

**Agenda Item**

**Date: 16 September 2010**

**15**

**Title: Pricing & Concessions Policy**

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Item for decision

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## **Summary**

1. In March, the Committee agreed that a consultation exercise could be carried on some principles that would inform a new policy on Pricing & Concessions.
2. The objective is to ensure greater consistency and fairness in the application of discounts, and greater transparency on the extent to which service costs are covered by the fees.
3. The consultation has been carried out and the results are detailed in the report. No responses require the intended principles to be amended. It is therefore proposed that a policy be adopted based on these principles.
4. A suggestion has been received to make exceptions for those who assist blind and partially sighted people. It is proposed that this suggestion be accepted.
5. It is felt that museum admission charges need to be an exception to the policy as it is good practice for children to receive discounts when visiting tourist attractions, and to do otherwise could cause harm to the reputation and business of the museum.
6. It is proposed that the policy be implemented with effect from April 2011, with detailed fees & charges approved by Committees in January.
7. The policy will contain a provision for exceptions to be approved by the responsible Committee where there are sound business reasons to do so.

## **Recommendations**

8. It is recommended that a new Pricing & Concessions policy based on the principles set out in paragraph 14, as amended to take account of the comments at paragraphs 4 and 5, should be adopted and implemented with effect from April 2011.

## Financial Implications

9. Elements of the policy have been trialled in the pest control service and experience has shown a modest reduction in the amount of discounts applied, and therefore, a level of income slightly higher than would have been the case had the previous arrangements still been in place. Each service has a different customer base and therefore may not necessarily experience similar results.
10. Some services e.g. bulky waste collection are currently subsidised so a move to a full cost recovery charging basis could result in a reduction in demand, therefore reduction in income and unforeseen costs e.g. fly tipping. Therefore, the responsible Committee in these cases will need to make a conscious policy decision about whether the service should continue to be subsidised in order to achieve policy and service objectives.
11. It is estimated that adopting this policy will have a broadly neutral financial impact in overall terms. Significant increases or decreases in individual fees & charges are unlikely as these could cause disruption to services and have unforeseen implications. However, the fees would be approved based on a more complete understanding of the underlying costs and policy objectives.
12. If the policy is adopted, the financial effects would be measured and results used to inform future revisions of the policy.

## Background Papers

13. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

[Report to F&A Committee 25 March 2010](#)

## Impact

Communication/Consultation	Consultation has been carried out and is summarised in this report.
Community Safety	None
Equalities	An Equalities Impact Assessment has been carried out. The new policy will improve consistency and fairness by avoiding positive discrimination on basis of age or disability. As a result, some people currently entitled to discounts may no longer receive them.
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

## Principles

14. The principles that were consulted upon were as follows:

- a) The policy shall apply to all prices and concessions that the Council has discretion to set. [services where we have discretion include: pest control, museum, pre-application planning advice, street naming & numbering, bulky waste services, trade waste services, septic tank emptying, Lifeline, animal licensing and car parks (see item (b) re. car parks)].
- b) Car park charges shall be a known exemption to the policy, and will be the subject of separate detailed consideration.
- c) There shall be consistency in the way charges are calculated and concessions are applied.
- d) The full cost of the service, including an element for corporate overheads, will be the starting point for calculating charges.
- e) Where alternative service providers are available, market forces will be taken into account when calculating charges.
- f) Any subsidy of the full cost of the service, including an element of corporate overheads, will be made clear and be a conscious decision designed to meet service objectives.
- g) Concessions of 25% will be applied to individuals in receipt of UDC-administered benefits.
- h) There will be no automatic concessions for elderly or disabled customers.
- i) Where possible, income shall be collected in advance of the service being provided.
- j) The responsible Committee may authorise exceptions to the policy where there are sound business reasons to do so, after taking into account advice of the relevant service manager and the Section 151 Officer.

## Consultees & responses

15. Below is a summary of the consultees and the responses received. The detailed responses are attached to this report.

Consultees	Responded?
All members of the public via Uttlesford Life	2 responses
All town & parish councils	3 responses
Uttlesford Futures Economic Development Group	Yes
CVSU	No. 1 response received direct from a charity.
ECVYS	No
Age Concern	No
Disabled Equality Forum	No

## Next Steps

16. If the policy is approved, the next steps shall be as follows:

- a) Consultee respondents informed of outcome and thanked for their contribution.
- b) Policy communicated to relevant staff.
- c) All fees & charges reviewed by service managers, working with finance staff.
- d) Proposed fees & charges submitted to Committees in January 2011 for approval. Reports will highlight any exceptions to the principles, providing justification of the sound business reasons for doing so. Reports will make clear the extent to which services are subsidised, so that the Committee can make a conscious policy decision.
- e) Financial implications will be identified to Committees and incorporated into the 2011/12 budget for approval by the Council in February 2011.
- f) Approved fees & charges published on website in March 2011.
- g) Approved fees & charges implemented with effect from April 2011.



**Risk Analysis**

Risk	Likelihood	Impact	Mitigating actions
The Council is not maximising income from fees & charges	3	2	Implement corporate policy
Concessions are not applied consistently or on the basis of greatest need.	3	2	Implement corporate policy
Adopting the policy could have unforeseen consequences	2	2	Monitor outcomes and keep policy under review.

- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.

## CONSULTATION RESPONSES

Respondent	Response	Suggested effect on policy
Newport Parish Council	The Council supports the principles listed.	None.
Great Hallingbury Parish Council	While the consultation is appreciated, the conclusion was that there was insufficient information to give our views. Statements were not defined clearly, and items g) & h) appear to contradict each other.	None. Principles g) and h) are not contradictory.
Little Hallingbury Parish Council	The principles on which you are seeking views require more clarity before we are able to comment.	None.
Mr A Wordsworth	I have no problem with the Principles a to j, but wonder if you might offer concessionary fees to organisations or charities involved with building work for the benefit of the community. The Uttlesford Community Project Grant Scheme recently gave Wimbish PCC a generous payment of £2,200, for which we were enormously grateful, but we still had to find the Building Control fees of £112.80 and £338.40, so about £450 in all to be returned. I'm not complaining but you asked for suggestions and this is a possible one for consideration.	None. Building Control fees are outside the scope of the policy.
Mr T Parton	You state that fees will be collected in advance where possible. I have no problem with this but to be consistent, the Council should also pay for the services it receives in advance. Many small businesses find that their cash flow is adversely affected by the failure of governments, both Local and Central, to pay their bills on time.	None. However the Council must improve its invoice payment performance. Action is being taken in this regard. Purchasing cards will see some lower value purchases paid for in advance.

Respondent	Response	Suggested effect on policy
Support 4 Sight (voluntary organisation)	<p>We are concerned with the sentence in the document – that there will be no automatic concessions for elderly or disabled customers. Blind and partially sighted people are severe mobility problems and to avail themselves of council facilities, such as museums, they need the assistance of a guide or carer. Consequently in order for the blind / partially sighted person to enjoy the service, their fee is actually doubled – paying full-price for themselves and a carer – which we believe is unfair. Our suggestion is that if the blind / partially sighted person pays full-price, then their guide / carer is permitted entry free of charge.</p> <p>Secondly, we wanted to stress the importance of disabled car parking spaces for blind and partially sighted people for accessing services and the provision of free / reduced priced parking is essential to retain.</p>	<p>This is a good suggestion and should be incorporated into the policy for relevant fees.</p> <p>None. Car park charges are outside the scope of the policy. The comment can be taken into account when the car park tariff is next reviewed.</p>
Economic Development Skills and Learning Group	<p>Item b) Whilst car park charges are considered exempt we are of the view that these should not be used to generate revenue. The Group questions the exemption of car park charges for this reason.</p> <p>Item e) Choice of service provider should not be made on a cost of appointment basis alone. Consideration should be given to local spend within Uttlesford ie to ensure money is retained within the district over a number of subsequent transactions. These principles are fundamental to the economic well being of the locality and it should therefore be incumbent on the District Council (as the main procurement agency) to adopt the Keep Trade Local initiative in all financial transactions. Clearly this has other merits in terms of sustainable issues.</p>	<p>None. Car park charges are outside the scope of the policy. The comment can be taken into account when the car park tariff is next reviewed.</p> <p>None. The comment is obviously related to council expenditure, not how it sets its fees and charges. The principle of the council spending locally where appropriate has already been written into the Procurement Strategy and Contracts Procedure Rules.</p>



Respondent	Response	Suggested effect on policy
	<p>(continues)</p> <p>Item g) and h) These concession restrictions appears to penalise elderly or disabled customers of which Uttlesford has a disproportionately high percentage of population. It will be important to apply these conditions in an open/transparent and fair manner.</p> <p>Item i) In addition to ensuring income is collected in an expedient manner it is paramount that UDC apply an equally efficient invoice payment regime. Whilst we are aware that UDC settle 94% of supplier invoices within 30 days other authorities have adopted much shorter payment periods (including Essex Police). In the spirit of the recently signed Business Accord document the EDSLG would wish to encourage the Council to sign up to an improved Prompt Payment Code for processing of supplier accounts ( ideally 10 to 14 days). This will assist local businesses coming out of a period of recession at a time when cash flow considerations are paramount.</p>	<p>None. The objective of the policy is to ensure fairness by ensuring that concessions are granted consistently on the basis of means.</p> <p>None. However the Council must improve its invoice payment performance. Action is being taken in this regard. Signing up to the Prompt Payment Code is something the Council could consider.</p>