



Belfast City Council

Commercial & Procurement Services

Pricing Policy

FOR INTERNAL PURPOSES ONLY



**Belfast
City Council**

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1. Introduction

Charges (and fees) represent an important source of income each year which is used to support the delivery of Belfast City Council's (the Council's) objectives. Whilst charging for services is, therefore, a recognised feature, many services may have traditionally been provided at little or no direct charge to the user. The provision of services at low, or no, charge (or fee) has led to citizens often receiving heavily subsidised or free services in return for paying their Council rates. Subsidising services¹ is often driven by a desire to maximise take-up and to support the delivery of our wider strategic priorities.

However, the reductions in public funding and the financial uncertainty created by the 2020 coronavirus (COVID-19) pandemic and the 2016 United Kingdom European Union membership referendum ('Brexit') has brought income generation and charging into sharper focus for us.

Our increasing reliance on income from the rate was recognised in the [Local Government Auditor's Report 2019](#).

"Income levels vary considerably across each Council. Whilst overall the sector experienced a real-term increase in revenue based income in the five years to 2017-18, there was an overall real-term decline in income from service fees, charges and central government revenue funding. This trend indicates that Councils are increasingly reliant on income from the district rate.

Given the increasing funding pressures, it is important that Councils continue to explore options to maximise the income generated from its services, including considering the potential for more efficient service delivery such as online facilities and automated processes."

This policy will ensure we make the best use of charging and pricing opportunities and recognise the importance of using charging as a means of recovering the costs of delivering our services.

¹ A service is subsidised when the income from that service (if any) does not meet all the costs of delivering that service and so there is a net cost which has to be funded from the Council. The net cost represents the amount of that subsidy.

2. Legal Context

The Council cannot introduce or raise charges indiscriminately. We need to carefully consider the legal position in setting charges and be clear that what we are doing is in accordance with our legal powers and duties.

[Part 11 of the Local Government Act \(Northern Ireland\) 2014](#) outlines the General Powers of Councils, which includes:

- Council's general power of competence;
- Boundaries of the general power;
- Limits on charging in exercise of general power;
- Powers to make supplemental provision; and
- Limits on power conferred by section 82(1).

While this provides a starting point, there are also individual pieces of legislation (or acts) that usually take precedence e.g. in relation to leisure services, burials and cremations etc.

This policy relates to fees and charges currently being levied by the Council and those which are permissible under the General Powers of Councils or the relevant legislation (or acts). It does not cover services for which the Council is prohibited from charging.

The Council's default position is that, other than in cases where charging is prohibited, a charge should at least be considered unless there is a compelling and evidenced-based case not to do so.

3. Policy Aims

The aims of this policy are set out below:

Figure 3.1: Policy Aims



All Council officers should adhere to this policy, along with the Council's Financial Regulations and Scheme of Delegation, when determining charges (or fees) as part of the budget-setting process and for any other ad hoc consideration of service charges. Where the Council is working in partnership with another organisation, this policy should, where possible, still be adhered to.

4. Guiding Principles

Any decision to vary or introduce charges must be aligned with our strategic priorities and financial objectives. Council officers must adhere to the following principles.

Figure 4.1: Guiding Principles



Adopting these principles can help to address concerns and opposition to charging and income generation.

5. Establishing Prices

Council officers should follow the framework set out in the 'Setting Prices - Getting it Right' guidance document <<INSERT LINK HERE>> when introducing or increasing/decreasing charges (or fees).

A summary of the process is depicted below.

Figure 5.1: Establishing Prices – An overview

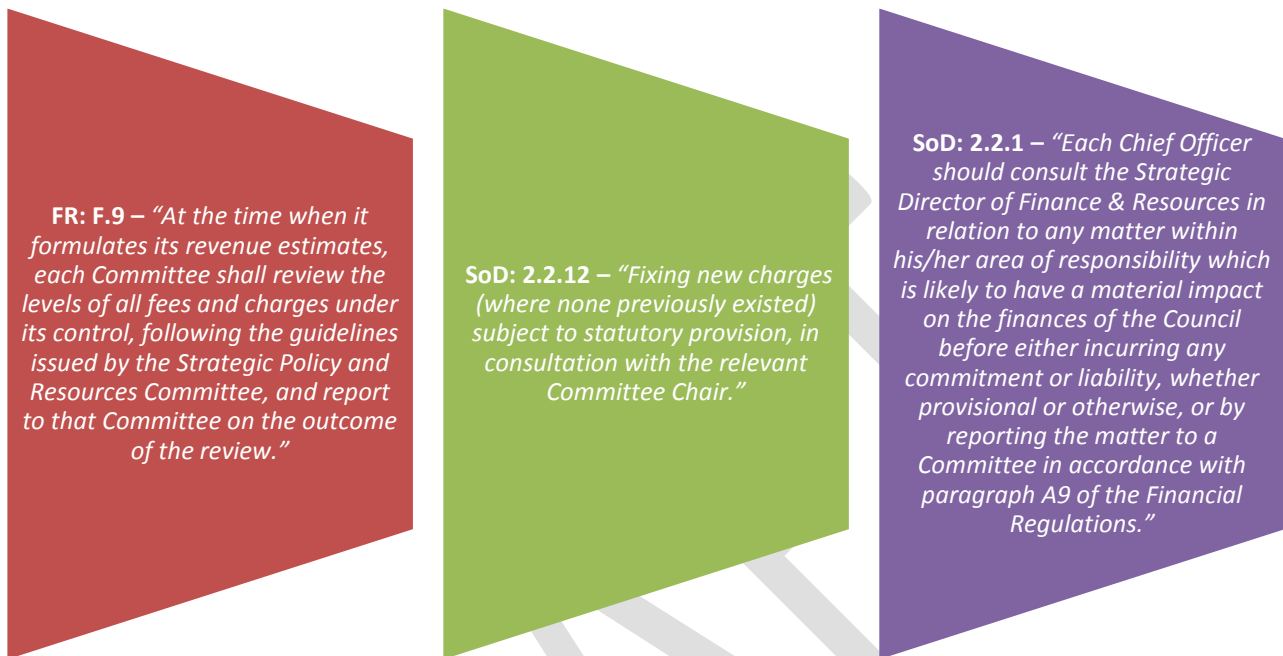


In the event that a decision is taken to introduce or increase/decrease a charge relating to a facility, activity or service, Council officers should adhere to all relevant guidance including Managing Public Money Northern Ireland (MPMNI) and Competition Law.

6. Governance and Risk

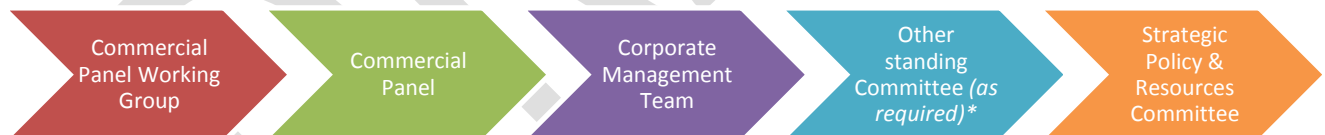
The Council's Financial Regulations (FR) and Scheme of Delegation (SoD) set out some details of the governance arrangements and approvals associated with charges and pricing, as illustrated below:

Figure 6.1: Charges and pricing references



At an organisational level, there is also an existing decision-making structure for commercial activity, as illustrated below.

Figure 6.2: Governance Structure



* NB: each department's own governance arrangements may mean that some matters require approval by other standing committees on occasion. This can be facilitated as required, per the above diagram.

Any Council officer taking forward a proposal that involves the potential introduction or increase/decrease of a charge (or fee) outside of the budget-setting process should, unless otherwise advised by a member of the [Commercial Panel](#) or unless otherwise directed per the Council's Financial Regulations and/or Scheme of Delegation, seek to obtain approval through this structure.

This policy is subject to regular review as part of the Council's overall governance framework. This review will include consideration of ongoing alignment with other related corporate documents (e.g. the Corporate Plan and Commercial Plan) and any changes in legislation and/or corporate strategies. If a department wishes to vary from the principles set out within this policy, approval from the Commercial Panel will be required.

As a public body expending public funds, this policy is aligned with our published Risk Strategy, which states that risk management is an integral part of the Council's assurance framework. Good governance, transparency and robust decision-making are effective mechanisms to ensure the Council is risk aware.

7. Contact Details



Michael Denny - Commercial Manager

Commercial & Procurement Services
6th Floor, 9 Adelaide Street

dennym@belfastcity.gov.uk

Ext: 3821

Mobile: 075 0078 3384

For more information, please feel free to get in touch with Michael.

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8. Policy Control



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Contact us:

Commercial & Procurement Services
6th Floor, 9 Adelaide Street
Belfast
BT2 8DJ

 cps@belfastcity.gov.uk

 028 9032 3501

 www.belfastcity.gov.uk



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