



Fees & Charges Policy 2017-18

Reference Information

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Fees and Charges Policy

This Policy clarifies and explains fees and charges policy to be adopted for the financial year 2017-18.

CONFIGURATION INFORMATION

Protective Marking of Policy Statement	Not protectively marked
Related Procedures	City of London Corporation Financial Regulations

This policy and any associated SOP have been assessed against the requirements of the Equality Act 2010 (see linked equality assessment for details of consultation and impact on officers or groups).

All staff involved in carrying out functions under this policy and associated Standard Operating Procedures will do so in accordance with the principles of the Code of Ethics. The aim of the Code of Ethics is to support each member of the policing profession to deliver the highest professional standards in their service to the public. <http://www.college.police.uk/What-we-do/Ethics/Pages/Code-of-Ethics.aspx>

Introduction

This policy is required to ensure there is a consistent and transparent method for calculating the appropriate fees and charges for the use of police services and/or goods that are provided by the Force to outside agencies including where discretion is allowed; and, is based on accurate recording and sound costing methodology.

Principles

The purpose of the policy is to provide authoritative guidance on charging for police services so that the 'users' of the service have a clear understanding of how the costs and subsequent charges have been calculated.

This policy adheres to the principles within the National Police Chiefs Council (NPCC) Guidelines on Charging for Police Services (April 2015) and has regard for this guidance.

Key Information

This charging policy will be updated annually for approval by Police Committee.

Legal Framework

The ability to charge for police services is generally determined by statutory provisions and the guidance covers four main areas:

- s25 of the Police Act 1996 Special Police Services.
- s26 of the Police Act 1996 Special Police Services Overseas.
- s15 of the Police Reform and Social Responsibility Act 2011 extends to PCCs the powers of the Local Authorities (Goods and Services) Act 1970.
- s24 of the Police Act 1996, the provision of Mutual Aid to other forces.
- Local Government Act 2003 and Sales of Goods and Services Act 1970.

Introduction

- 1.1 The Commissioner for the City of London Police is responsible for the financial management of the force under delegation from Police Committee; and for determining a framework of financial policies and regulations including policies and processes for charging.
- 1.2 It is the responsibility of Police Committee to approve policies for charging for Special Police Services. There is a specific statutory requirement under Section 25 of the 1996 Police Act which permits the Commissioner to provide Special Police Services at the request of *any* person subject to the payment to the Force of charge on such scale as may be determined by Police Committee.
- 1.3 This policy is required to ensure there is a consistent and transparent method for calculating the appropriate fees for the use of police services and/or goods that are provided by the Force to outside agencies including where discretion is allowed; and, is based on accurate recording and sound costing methodology.
- 1.4 This policy has regard to and reflects national guidance as set out in the guidance from the National Police Chiefs Council (NPCC) Guidelines on Charging for Police Services (April 2015).

2 Application

- 2.1 This policy applies to all police officers and police staff who are involved in any aspect of generating revenue, entering into commercial enterprise, charging public bodies and/or quasi public bodies or charging for core police services and/or goods.
- 2.2 It is essential that this policy is adopted consistently across the

force to ensure that legitimate recovery of police costs is not undermined. Any departure from this charging policy will only be agreed on exceptional grounds and with specific approval of Police Committee.

3 Purpose

- 3.1 The purpose of the policy is to provide authoritative guidance on charging for police services so that the 'users' of the service have a clear understanding of how the costs and subsequent charges have been calculated.

4 Scope

- 4.1 This policy and associated appendices set out the principles that must be followed in the pursuance of charging for police services across all areas of the Force.
- 4.2 The ability to charge for police services is generally determined by statutory provisions and the guidance covers four main areas:
- The provision of Special Police Services at the request of any person under s25 of the Police Act 1996, which makes such services subject to payment of charges as determined by the Police and Crime Commissioner (PCC). Special Police Services generally relate to policing an event e.g. a concert, or series of events, e.g. football matches.
 - S26 of the Police Act 1996 applies a similar requirements to the provisions set out in S25 but applies to Special Police Services Overseas.
 - S15 of the Police Reform and Social Responsibility Act 2011 extends to PCCs the powers of the Local Authorities (Goods and Services) Act 1970 to supply goods and services to other bodies or persons. This may include services provided in competition with

other providers, where charges will reflect market rates, or services provided as a by-product of core policing activity.

- The provision of police services to government agencies.
- The provision of Mutual Aid to other forces under s24 of the Police Act 1996.

5 Policy Statements

5.1 This policy distinguishes between different categories of charging in particular:

- Charging for the policing of events under S25 or S26 of the Police Act 1996 (Special Police Services):
 - Commercial events, intended to generate private profit;
 - Non-commercial events i.e. charitable or community events;
 - Statutory events reflecting constitutional rights or processes;
- Charging for the provision of goods and services under S25 or S26 of the Police Act 1996 (Special Police Services) to third parties.
- Charging for Market Competitive Goods/Services where Police Committee set charges in relation to market forces by charging a market rate (Local Government Act 2003 and Sales of Goods and Services Act 1970 combined with S15 of the Police Reform and Social Responsibility Act 2011).
- Charging for services to government agencies.
- The provision of Mutual Aid under s24 of the Police Act 1996 is not covered within this policy statement.

6. Responsibilities

- 6.1 The City of London Police Director of Finance owns this policy and is responsible for ensuring the contents remain current by reviewing the policy annually.
- 6.2 The Commissioner will submit an annual report commencing from April 2018 to the Police Committee articulating performance against the policy and seeking approval for the following years charging rates,
- 6.3 The Police Committee will review, consider and approve this policy and is the authoritative body for approving any departures from it.
- 6.4 Any exceptional cases will need to be consulted and agreed with Police Committee.
- 6.5 All cases where there are difficulties in recovering charges for arrangements set out in this charging policy will be subject to specific consultation with Police Committee on action proposed in exceptional cases.

7. Charging Policy – Key Principles

- 7.1 This policy will have regard for the NPCC guidance on charging for police services. The sound stewardship of public funds is concerned with ensuring proper accountability insofar as costs are met by the body responsible, for the purpose for which the service is being delivered; and that private persons or private bodies will not be able to profit at the expense of City of London Police Service. This reflects national guidance.

- 7.2 This policy is set in the context of the overall medium term financial funding position and the City of London Police's overall policing objectives as agreed by Police Committee;
- 7.3 The basis of cost calculations within this policy are consistent in application including where discretion is allowed and charges are based on a robust and sound costing methodology which aligns with the medium term financial strategy.
- 7.4 Any chargeable activity should support and not undermine the core purpose of providing a public police service.
- 7.5 Any departure from the principles within this charging policy can only be made on exceptional grounds and with the specific approval of Police Committee.

8. Special Policing Services (Policing of Events) Section 25 of the Police Act 1996

- 8.1 Definitions:** Special Police Services are police services provided over and above core policing at the request of a person or organisation. It can be provided to a place or a defined locality by agreement with the organiser. The nature and definition of locality can vary widely, depending on the event concerned. Payment for the services is the subject of a contractual arrangement with implications for prior agreement on both sides.
- 8.2 This force will have full regard for NPCC guidance and design and operate its charging policy in full alignment with the NPCC guidance. For reference the link to the NPCC guidance can be found at the back of this document.

9 Categories of events: Special Policing Services (Policing of Events) Section 25 of the Police Act 1996

9.1 The NPCC Guidance advise on charges for different types of event, in particular:

- Commercial events - Where there is clear financial gain or profit to the organiser/company/ organisation without specific community benefit.
- Non Commercial events – i.e. charitable or community events - where, although there may or may not be a financial gain, however such events not for personal or corporate gain, but are for community or local interest purposes or to raise money for local community institutions. These maybe local charities or community events but in some circumstances reflect a wider charitable status.
- Statutory Events - Where there is no financial gain to the organiser and which reflect constitutional rights, or a cause of royal, national or defined public interest. City of London Police is a historically and strategically placed force in terms of its role of protecting London. This means that it will be required to police events which are extraordinary policing events. This will include Royal events including death of a Monarch, Dignitaries (Political) events. The force therefore receives funding in the form of National International Capital City to assist with funding of such events.

9.2 This policy will uphold the NPCC recommendation to:

9.2.1 charge Full Economic Cost for Special Police Services for Commercial events;

- 9.2.2 charging for Special Police Services of Non Commercial events is determined at the Commissioner's discretion; and,
- 9.2.3 the application of no charge for the policing of statutory events on the basis that such events are part of core policing.

10 Special Policing Services (Provision of Goods and Services to 3rd Parties)

- 10.1 Where an activity is non-competitive and is essentially a by-product of core police activity there should be consistency on the rate that will be set nationally. Examples include Detainee charges, firearms certificates, and statutory charges.
- 10.2 The NPCC Guidance sets out the standard rates of charge which should be applied across the service. This charging policy in principle adopts the guidance with a modification for regional differences. The policy therefore adopts the Pan London charges as agreed by the Metropolitan Police and British Transport Police; and, provides for an annual uplift in costs based on the Consumer Price Index (CPI).
- 10.3 Even with non competitive activity, there has to be a proper recognition of the cost of production of goods or services. The costing model provides the basis for identifying the underlying cost base of goods and services and, therefore provides clarity of pricing levels across all forces.
- 10.4 Where the City of London Police's cost base is not in parity with London region forces, formal benchmarking of processes will be carried out through the Department of Finance to align the cost

base and to minimise issues over differences in charges.

- 10.5 The NPCC has identified a core group of common services to be charged at a standard rate. This will be reviewed periodically.
- 10.6 Market Competitive Goods/Services (Local Government Act 2003, Police Reform and Social Responsibility Act 2011 and Sales of Goods and Services Act 1970) are not subject to national agreements and will depend on the nature of goods and services requested by the purchaser.
- 10.7 Where services are provided which have a market competitive dimension, the market rate should be charged, and as a *minimum* should be levied up to the full economic cost in order to recover the overheads. In market competitive activity the Force is free to charge, "What the market will bear", but should at least cover the full economic cost of provision to recover the costs of supplying the service. Loss leading is only acceptable in the short-term defined as the first 12 months of contract operation; and, where there can be demonstrated that cost recovery will be achieved within a clear period, linked to payback.
- 10.8 Within the costing basis it is expected that charges should be set to recover all costs including investment outlay, pump priming and any set up costs within a reasonable investment time period. Charges can exceed the overall level of cost recovery and provide a net income stream where market conditions allow.
- 10.9 The force will charge a value based charge related to the benefit passed to the customer such as prevention, disruption or other value add and will adopt a value based model to levy the appropriate charge which will be in excess of the full economic cost of provision. This means that costs will no longer be based on

headcount.

11 Charging for Services to Government Agencies

- 11.1 City of London Police provides a range of services for, and with, other government agencies. Many of these are elements of central government.
- 11.2 The charges to be made by City of London Police depend on the nature of the service being provided that is are they one off costs or continuous service provision.
 - 11.2.1 Where police or support staff is used in directly providing a one off service, the Employable Cost of the staff used should be covered. To this should be added any overtime incurred and additional specific direct cost incurred (consumables, travel and expenses, accommodation). Where the provision includes police provided service a contribution to these overheads can be added to the direct costs used such as rent, utility costs etc.
 - 11.2.2 In instances where the provision of service to a government agency or department is more long term or requires a number of instances of service provision, it is appropriate to charge the Full Economic Cost or the market rate where conditions allow.
 - 11.2.3 Where police and support staff are used in Secondment Arrangements the Employment Cost will be charged.
 - 11.2.4 It is important to understand the police role in such activities. In most cases, the skills and experience of officers and staff are being used to enhance another government based service. Where this is outside of the normal policing role there should be the aim of covering all recognised costs (Full Economic Cost) together with

the appropriate contribution to overheads.

12 Mutual Aid

- 12.1 Mutual Aid is the provision of assistance in response to an individual service's ability to adequately meet the demands for personnel and resources placed upon them, particularly in public order situations. The aid of one police force to another is also covered under Section 24 Police Act 1996.
- 12.2 City of London Police has a statutory requirement to assist other Forces. The current mutual aid agreements in force are not subject to or contained within this document.

13 Costing Methodology

13.1 The cost of the service and the charge for the service are clearly linked.

- **The Employable Costs:** This represents the basic actual cost of the service provided including on-costs but with no allowance for the recovery of overheads.
- **Direct Costs:** This is the cost of an officer including a standard overtime recovery element.
- **Resource/Operational Cost:** This represents the cost of the resource employed in the provision of the service. Here the direct costs and the indirect costs are included.
- **Full economic Cost:** This covers the cost of direct and indirect costs of providing the relevant officers and staff at the point of service and includes all properly attributable costs, including contributions to administrative and general overheads. The methodology allows other directly associated costs to be recovered e.g. police dogs, horses, specialist vehicles where such costs can be justified in the context of the event or service being provided.

14 Average versus Actual Costs

14.1 Actual costs are charged where possible however it is acceptable practice to identify an estimate of the average cost per rank as the basis of both cost and charging.

14.2 The calculation for any allowances reflects the average budgeted cost per rank to provide a transparent and realistic view of the employable costs of an officer.

15 Pension

- 15.1 The pension overhead calculation reflects the force Employer Pension Contribution.

16 Overtime

- 16.1 The calculation for overtime reflects the average budgeted cost per department to provide a transparent and realistic view of the employable costs of an officer.

17 Relevant direct overhead

- 17.1 The direct overheads are designed to reflect the other costs attributable directly to the cost of providing the service at the point of service including apportionment of force provided services such as I&I single service provision, dog handlers. Examples of relevant direct overhead include: utility costs, premises, equipment hire, IT infrastructure, communications infrastructure.

18 Administrative General Overhead

- 18.1 Full economic cost recovery includes a properly attributable element of contribution toward the general overheads of administration and infrastructure.

19 Responsibilities for the notification of Charges

- 19.1 The Director of Finance will notify budget holders of the charges to apply in various circumstances to ensure that charges are recovered in an efficient and timely manner.

Police Officer Charging Basis

Police Officer Recovery Costs						
	PC	Sgt	Insp.	Ch. Insp.	Supt	C Supt
	£pa	£pa	£pa	£pa	£pa	£pa
Employable Costs	56,912	69,924	84,170	93,012	107,741	125,737
Overtime Premium	17,612	22,025	-	-	-	-
Total Direct Cost	74,525	91,949	84,170	93,012	107,741	125,737
Direct Overheads	8,455	8,455	8,455	8,455	8,455	8,455
Resource/Operational Cost	82,980	100,404	92,625	101,467	116,196	134,192
Indirect Overheads	19,610	23,514	27,788	30,440	34,859	40,258
Full Economic Costs	102,590	123,918	120,413	131,907	151,055	174,450
Available Productive Hours						
Standard Calculation to be used throughout						
	PC	Sgt	Insp.	Ch. Insp.	Supt	C Supt
Total Days	365	365	365	365	365	365
less :						
Rest Days & Weekends	104.0	104.0	104.0	104.0	104.0	104.0
Annual Leave	26.0	27.0	29.0	29.0	31.0	31.0
Average Sickness	4.4	4.4	4.4	4.4	4.4	4.4
Training Days	8.0	8.0	7.0	7.0	6.0	6.0
Bank Holidays	8.0	8.0	8.0	8.0	8.0	8.0
Net Days	214.6	213.6	212.6	212.6	211.6	211.6
Productive hours per shift	8.0	8.0	8.0	8.0	8.0	8.0
Total Hours	1,716.8	1,708.8	1,700.8	1,700.8	1,692.8	1,692.8
Net Days	214.6	213.6	212.6	212.6	211.6	211.6
	PC	Sgt	Insp.	Ch. Insp.	Supt	C Supt
	£	£	£	£	£	£
	Per Hour	Per Hour	Per Hour	Per Hour	Per Hour	Per Hour
Employable Costs	33.15	40.73	49.03	54.18	62.76	73.24
Overtime Premium	10.26	12.83	-	-	-	-
Total Direct Cost	43.41	53.56	49.03	54.18	62.76	73.24
Direct Overheads	4.92	4.92	4.92	4.92	4.92	4.92
Resource/Operational Cost	48.33	58.48	53.95	59.10	67.68	78.16
Indirect Overheads	11.42	13.70	16.19	17.73	20.30	23.45
Full Economic Costs	59.76	72.18	70.14	76.83	87.99	101.61

Police Staff Charging Basis

Police Staff Recovery Costs					
	Band A-C	Band D-E	Management	PCSO	SOCO
	1018	1035	1052	1025	1036
	£ pa	£ pa	£ pa	£ pa	£ pa
Employable Costs	39,882	48,988	69,876	40,463	54,924
Overtime Premium	12,940	16,467	-	12,951	18,671
Total Direct Cost	52,822	65,455	69,876	53,414	73,595
Direct Overheads	5,459	5,459	5,459	8,455	5,781
Resource/Operational Cost	58,281	70,914	75,335	61,869	79,376
Indirect Overheads	13,602	16,334	22,600	14,675	18,212
Full Economic Costs	71,884	87,248	97,935	76,544	97,588
Available Productive Hours					
Standard Calculation to be used throughout	Band A-C	Band D-E	Management	PCSO	SOCO
Total Days	365	365	365	365	365
less :					
Rest Days & Weekends	104.0	104.0	104.0	104.0	104.0
Annual Leave	28.0	30.0	30.0	30.0	30.0
Average Sickness	5.2	5.2	5.2	5.2	5.2
Training Days	8.0	8.0	7.0	8.0	8.0
Bank Holidays	8.0	8.0	8.0	8.0	8.0
Net Days	211.8	209.8	210.8	209.8	209.8
Productive hours per shift	7.3	7.3	7.3	7.3	7.3
Total Hours	1,535.6	1,521.1	1,528.3	1,521.1	1,521.1
Net Days	211.8	209.8	210.8	209.8	209.8
	Band A-C	Band D-E	Management	PCSO	SOCO
	£	£	£	£	£
	Per Hour	Per Hour	Per Hour	Per Hour	Per Hour
Direct Costs	25.97	31.90	45.51	26.35	35.77
Overtime Premium	8.43	10.72	-	8.43	12.16
Total Direct Cost	34.40	42.63	45.51	34.78	47.93
Direct Overheads	3.56	3.56	3.56	5.51	3.76
Resource/Operational Cost	37.95	46.18	49.06	40.29	51.69
Indirect Overheads	8.86	10.64	14.72	9.56	11.86
Full Economic Costs	46.81	56.82	63.78	49.85	63.55
	£	£	£	£	£
Short Notice Additional Premium	Per Hour	Per Hour	Per Hour	Per Hour	Per Hour
less than 15 days' notice	16.85	21.45	-	16.87	24.32
Public Holiday Rate	25.28	32.17	-	25.30	36.48

Sources of information

NPCC Guidance on Charging for Police Services

www.npcc.police.uk/.../NPCC%20Guidelines%20on%20Charging%20for%20Police%20Services

City of London Corporation Financial Regulations

<http://colnet/Departments/Chamberlains/Documents/Chamberlain's%20migration/about%20internal%20audit/finregs.pdf>

NPCC Guidance on Charging for Mutual Aid Police Services

This appendix is available from

<http://www.npcc.police.uk/documents/finance/2015/NPCC%20Guidelines%20on%20Charging%20for%20Police%20Services%20Mutual%20Aid.pdf>

Powers for the Charging of Police Services - Police Act 1996 and Social Responsibility Act 2011

Provides the basis for supplying goods and services other than direct policing any 3rd party.

Subsections (1), (2) and (3) of section 1 of the Local Authorities (Goods and Services) Act 1970 apply to Police Authorities and Police & Crime Commissioners, allowing the supply of goods and services to a third party.

Police Act 1996 - Section 25 Special Policing Services

Provides the basis of the provision of direct policing.

"the Chief Constable of a force may provide, at the request of any person, special policing services at any premises or in any locality in the police area for which the force is maintained, subject to the payment to the Office of the Police and Crime Commissioner (OSPPCC) of charges on such scales as may be determined by that Authority.

Police Act 1996 - Section 26 Provision of advice and assistance to international organisations

Subject to the provisions of this section, a Police and Crime Commissioner (PCC) may provide advice and assistance:-

To an international organisation or institution, or to any other person or body which is engaged outside the United Kingdom in the carrying on of

activities similar to any carried on by the PCC or the chief officer of police for its area.

The power conferred on a PCC by subsection (1) includes a power to make arrangements under which a member of the police force maintained by the PCC is engaged for a period of temporary service with a person or body within paragraph (a) or (b) of that subsection.

(3) The power conferred by subsection (1) shall not be exercised except with the consent of the Secretary of State or in accordance with a general authorisation given to him.

(4) A consent or authorisation under subsection (3) may be given subject to such conditions as appear to the Secretary of State to be appropriate.

(5) Nothing in this section authorises a PCC to provide any financial assistance by:-

Making a grant or loan

Giving a guarantee or indemnity, or

Investing by acquiring share or loan capital

(6) A PCC may make charges for advice or assistance provided by it under this section.

Amendment

Sub-s (7) repealed by the Greater London Authority Act 1999,ss 325,423, Sch 27, para 81, Sch34, Pt VII

Date in force: 3rd July 2000, see SI 2000/1648, art 2, Schedule

(8) The provisions of this section are without prejudice to the Police (Overseas Service) Act 1945.

Amendment

Sub-S (8): words omitted repealed by the International Development Act 2002, S 19(2), Sch 4

Date in force: 17th June 2002 see SI 2002/1 408, art 2

Police Act 1996 - Section 92 Grants by local authorities

Provides the ability of a force to receive a grant towards policing costs

from a local authority above normal precept arrangements.

"(1) The Force of a county, district, county borough or London borough may make grants to any police authority established under Section 3 whose police area falls wholly or partly within the county, district, county borough or borough.

(2) The Force of a London borough, county or district, which falls wholly or partly within the Metropolitan Police district may make grants for police purposes to the Metropolitan Police Authority.

Amendment

Reference to the Receiver repealed by the Greater London Authority Act 1999

(3) Grants under this section may be made unconditionally or with the agreement of the chief officer of police for the police area concerned, subject to conditions.

(4) This section applies to the Force of the Isles of Scilly as it applies to a county Force.