



SERVICE INCOME POLICY

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Table of Contents

1. Introduction	3
1.1 Purpose of policy	3
1.2 Objectives of policy	3
1.3 Legal basis for charging	3
1.4 Application of policy	4
2. Compliance	5
3. Purpose and Principles of Charging for Services	5
3.1 Purpose for charging	5
3.2 Principles for charging	5
3.3 Determining concessions	7
4. Cost Recovery	8
4.1 Subsidy	8
4.2 Cost and pricing mechanisms	8
5. Roles and Responsibilities	9
5.1 Administration of charging	9
5.3 Recovery of service income	10
6. Recovery of Service income	11
6.1 Standard recovery process	11
6.2 Sensitive recovery process	11
6.3 Payment plans	12
6.4 Cessation of service	12
6.5 Bad debt provision	12
6.6 Barred debts	12
7. Associated documents	13
7.1 Financial Regulations	13
7.2 Corporate Debt Policy	13
Appendix A – Categories of debt	14
Appendix B – Procedure for Administration of Service Income	15

SERVICE INCOME POLICY

1. INTRODUCTION

Charging for local services makes a significant contribution to council finances. Charging also influences individuals' choices and behaviours, that may bring other benefits to local communities.

This policy covers all statutory and discretionary income (fees and charges) received for goods and services provided by the council.

1.1 Purpose of Policy

The aim of the policy is to ensure that the council's fees and charges are set within a value for money framework, whereby financial, performance, access and equality are considered fully and appropriately, and decisions taken represent a transparent and balanced approach.

The Council aims to maximise corporate income collection through the efficient and coordinated use of resources, delivered using consistent and well managed processes.

Pre-payment and easy to access payment methods will be encouraged through a range of channels will be a core priority to maximise income, minimise debt management activity and support financial inclusion.

1.2 Objectives of Policy

The objectives of the policy are to provide clarity and consistency in the way that income generation and collection to the Council can be maximised through embedding best practice methods. It supports prompt, effective and efficient billing and debt management. The key objectives are to:

- ensure that charges reflect council's Corporate Strategy, service objectives and priorities and the Local Outcome Improvement Plan;
- calculate fees and charges on a full cost or marginal recovery basis, depending on competition and any other relevant factors;
- consider cost of collection to ensure that fees and charges are economic to collect;
- maximise income for the council;
- offer choice and minimise exclusion;
- protect tax-payers interests by minimising debt and late payment;
- ensure equality and consistency when dealing with customers;
- ensure compliance with legal and statutory requirements;
- implement appropriate debt management.

1.3 Legal Basis for Charging

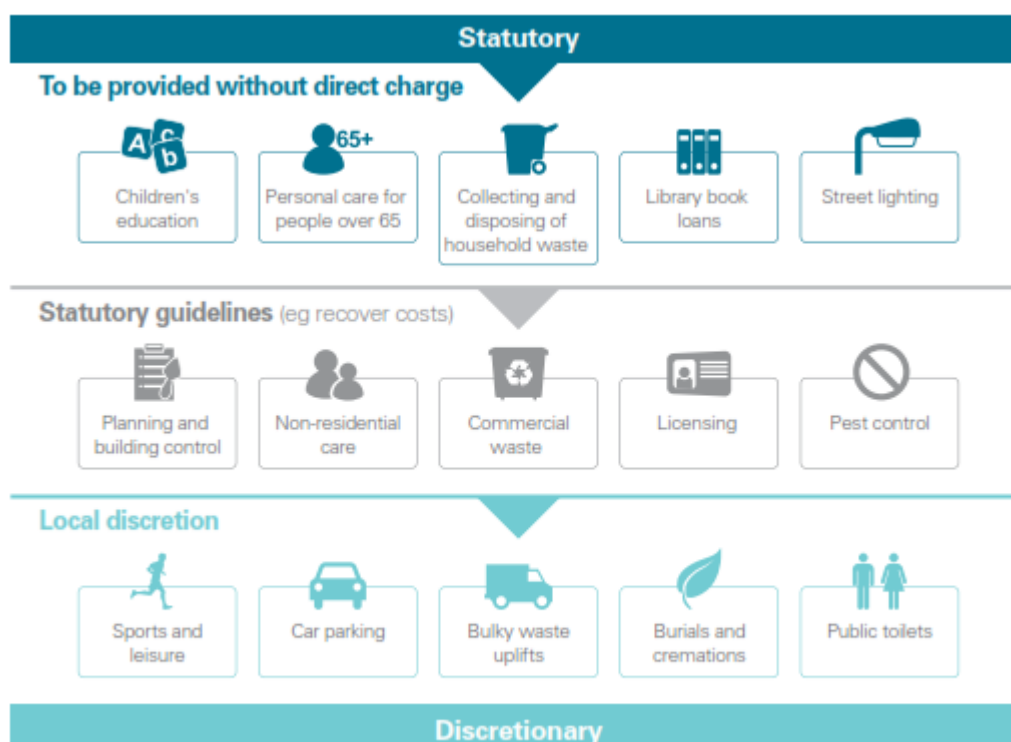
The legal basis for charging is set out in a range of legislation - the Local Government in Scotland Act 2003 specifies areas that must be provided without charge. The Community Care and Health (Scotland) Act 2002 covers areas of charging for social care. The Environmental Protection Act (1990) covers trade refuse. The Civic Government (Scotland) Act 1982 covers licensing.

Councils do not have complete freedom to charge for services. Many council services are provided with no direct charge to the service user. Examples include children's

education and street cleaning. Services such as these are funded through national and local taxes.

Councils do however have discretion to charge for other services. For example, the service user typically pays for services such as planning consents and building control certificates, the use of sports facilities, licensing and burials and cremations. Councils may also offer price concessions to certain service users based on, for example, their age, employment or financial circumstances.

Examples of how charging legislation applies to different services are shown below:



Source: Audit Scotland

Councils have discretion to subsidise services. Where a service is subsidised, public money is used to contribute to part of the costs of providing the service. Subsidy applies to the service as a whole and is not targeted to a particular social group. Councils can also apply concessions through reduced fees and charges to certain groups, for example to encourage equal access to services.

1.4 Application of Policy

The policy applies to all council operations and activities. The key principles arising from the policy should also be applied to arms-length organisations, including schools and partnerships, unless there are alternative regulations that govern these organisations.

The council's financial regulations set out the systems and procedures for managing income and expenditure. This policy sets out in more detail issues relating to income but remains within the compliance suite set out in the financial regulations.

The policy sets out key principles of compliance, purpose and outcome of charging for services, cost recovery, administration of charges and recovery of income.

2. COMPLIANCE

It is the duty of all officers employed by the Council to fully comply with this policy that facilitates the Financial Regulations. Failure to comply with the requirements contained within this policy and the associated guidance and procedures may result in an investigation under the Council's Conditions of Services Disciplinary and Appeals Procedure.

Any breach or non-compliance with this policy must, on discovery, be reported immediately to the Chief Officer – Finance. The Chief Officer - Finance may consult other relevant officers, including the Chief Executive, to determine the appropriate action.

Employees who deliberately obstruct or unreasonably fail to provide information to Auditors or Investigation Officers within the specified period may be subject to disciplinary action.

3. PURPOSE AND PRINCIPLES OF CHARGING FOR SERVICES

3.1 Purpose for Charging

The Council faces continuing financial pressures through increasing costs and demands on services. There is therefore an increasing need for councils to examine potential sources of income, including charging more for their services.

Charges can be a means to sustain and improve services. They can also be used to bring in new sources of income or be used to help a council to improve the services it offers. In setting charges, councils must consider the impact on the service user. They must also understand the contribution charges make to their council's overall financial position.

3.2 Principles for Charging

The Council will be clear on their overall objectives for charging and have guiding principles in place. We should also understand the legislative context, the views of users and other stakeholders, and the likely impact of charges on service uptake and income. The Council will consider how to introduce new or increased charges. It is often prudent to phase in charges over a period.

The framework for setting charges is shown below

- Charges will be set annually as part of the budget process
- Councillors will take a lead role in setting aims and priorities for charges and concessions.
- Clear corporate principles and service objectives will be set out for how charges and concessions are applied.
- Decisions will be made with an understanding the costs of providing services, including unit costs, subsidy, and the costs of collecting charges.
- Services will be kept under review to ensure that charges are appropriate and align with service and corporate objectives.
- Charges will be designed to consider the views of users and the potential impact on uptake and income.
- Charges will be designed to consider the impact of equalities and human rights and the Duty of Due Regard/Fairer Scotland duty.

- Concessions will be designed that target priority groups and are consistently applied across services.
- Charges may consider market research, comparative data, management knowledge, service demand, alternative services (competition) and benchmarking
- Charges will consider the cost of delivering the service and collecting the fee

Overriding principles of applying charging policy are shown below:

1. Fair shares	2. Rationality and prioritisation	3. Stability and predictability
A. Subsidy from taxpayer to service user should be a conscious choice.	A. Fees and charges should reflect key commitments and corporate priorities.	A. The impact of pricing policies should be managed through phasing over time where the impact is high.
B. Concessions for services should follow a logical pattern.	B. Price should be based on added and perceived value as well as cost.	B. Policies should fit with the council's medium-term financial strategy, ie, be affordable to service users and taxpayers.
C. Fees and charges should not be used to provide subsidy to commercial operators from the council taxpayer.	C. There should be some rational scale in the charge for different levels of the same service.	C. Fees and charges should generate income to help develop capacity, deliver efficiency and sustain continuous improvement.
D. A tough stance should be taken on fee dodging.	D. There should be some consistency between charges for similar services.	

The way that income is collected and the timing of income collection both determine how quickly the income is recovered, the extent to which there is scope for non-payment and the costs of collection. Therefore the Council will look to move to electronic payment in advance wherever possible.

The Council will monitor and review the impact of charging decisions. Where pricing aims to achieve a policy aim it is important to monitor whether this has been achieved in practice. This will include identifying any unintended consequences of pricing decisions such as people withdrawing from services. For example, initiatives to increase participation in exercise or to encourage healthy eating for school children could be affected by price increases.

The Council will on a 3-yearly cycle, review its service income policy, charging and concessions. As part of this we will assess the impact of charging arrangements and ensure that service charges comply with corporate guidelines.

3.3 Determining concessions

The council will wish to target certain services or specific groups of residents or visitors and in doing so it may decide to apply discounts or concessions.

The decision about whether and how to apply concessions must be taken with full information about the demand for the service and the contribution that the service

makes to council and service priorities. In other words, there must be a reason why the concessions are relevant, and a positive decision made that the concessions should be offered to specific customer groups. This decision should always be taken with a clear understanding of any budgetary implications.

Examples of customer groups that might be eligible for concessions to satisfy service priorities and objectives are:

- Children (of various age ranges)
- Students (or people in full time education who are not children)
- Young people other than children (of specific age ranges)
- Homeless persons
- People on low incomes (or people in receipt of benefit)
- The over 60s (or other ranges of older customers)
- People with particular disabilities
- Ethnic groups
- Visitors
- Commercial sector / small businesses
- Residents
- Employers
- Staff

The list is not exhaustive, but in every case where a concession is granted, there should be a sound reason why the concession has been made. This will assist the council to achieve consistency, equality and inclusion in the delivery of services.

In some cases, there may be nationally prescriptive concessions and where this is the case, there is often government support to help fund these. However, these concessions should be subject to the same principles as all other concessions.

In other cases, there is comprehensive government guidance on the financial assessments that need to be carried out to determine the contribution that customers should make towards charges.

4. COST RECOVERY AND SUBSIDISATION

4.1 Subsidy

The Council will base its decisions on clear information on service costs and subsidies. They will be based on an understanding of the full costs involved in delivering the service, including overhead costs and the costs of related services.

By identifying the full costs involved in delivering services, the Council can then understand the extent to which charges recover costs. This is important if councils are to demonstrate that charges are reasonable and reflect the actual costs of delivery. It also allows them to understand the extent to which public money is used to subsidise services.

Wherever possible the Council will base its decisions on using unit cost information. Unit costs are particularly useful when setting charges as they can help to identify the costs of the discrete activities the service user is paying for. Calculating unit costs involves identifying a suitable costing basis such as the cost per transaction, or the cost per visit. As part of this, overheads and other 'fixed' costs such as building costs need to be factored in, as do 'variable' costs such as staff time, materials and other expenses. Costs are then apportioned to the activity in question.

In meeting the above principles that:

- Subsidy from taxpayer to service user should be a conscious choice; and
- Fees and charges should reflect key commitments and corporate priorities.

The council will apply the following principles in applying subsidy:

- Services essential for well-being – will be considered for subsidy
- Services that contribute to well-being – will be considered for subsidy balancing the importance of cost recovery
- Other services – will be subject to the principle of full cost recovery
- Trading services – may be subject to the principle of making an appropriate trading surplus for redirection to other priority services

Applicable services in the above categories are set out in appendix A.

4.2 Costing and Pricing Mechanisms

In setting prices, the Council will consider the most effective pricing mechanism to encourage cost recovery with due consideration to the other principles set out in section 3.2.

Pricing can be based on:

- Cost-based pricing – to recover all or a proportion of the costs of providing the service – this can be calculated in advance to provide a fixed fee or retrospectively once the exact cost of service is known. It is generally more effective for recovery to provide services based on a fixed fee.
- Competition-based pricing – to reflect market rates.
- Demand-based pricing – to promote, or to control and limit uptake.

5. ROLES AND RESPONSIBILITIES

5.1 Administration of charging

Council Functions (Relevant Chief Officer)

Relevant Chief Officers are responsible for:

- ensuring staff in their service understand and carry out their roles within this Policy.
- providing costing and performance information for decision making to enable fees and charges for their services to be appropriately levied
- providing information to the budget and financial planning process in respect of service income
- ensuring records are prepared and retained of sales orders, customers, fees and charges levied, outstanding amounts due, VAT and relevant evidence of service or goods provided
- ensuring records of service income reconcile to the council's financial ledger
- aligning records with the Council's single view of the customer and encouraging choice and efficiency in payment methods
- supporting recovery action or liaising with customers to stop service where appropriate
- responding to performance targets for service income within their remit

Chief Officer - Customer

Business Services Transaction Team:

- administering records of sales orders, customers, fees and charges levied, outstanding amounts due, VAT and relevant evidence of service or goods provided
- aligning records with the Council's single view of the customer and encouraging choice and efficiency in payment methods
- administering recovery action and liaising with customers to stop service where appropriate
- responding to performance targets for service income
- monitoring and reviewing customer accounts
- reporting service income information
- customer enquiries

Revenues and Benefits Team:

- administering legal recovery action
- responding to performance targets for legal recovery

Chief Officer – Finance

Accounting Team:

- establish and review service income policy and procedures for the council
- provide advice and set controls to ensure that service income policy and procedures are adhered to
- maintain accounting arrangements to ensure the prompt and proper recording of all money due to the Council.
- administer the council's bank accounts ensuring that all service income is appropriately banked and recorded

Other responsibilities

- auditors will review the systems of control of service income
- external recovery agents may undertake work on the Council's behalf to agreed standards

5.2 Write off of Service Income

The City Growth and Resources Committee is responsible for approving all service income debt write offs over £25,000.

The Chief Officer - Finance is responsible for setting the accounting policy on uncollectable and bad debt. Appropriate provisions for bad debt will be considered when preparing the Annual Accounts.

The Chief Officers named below have the authority to approve write-off in the five categories of:

- (a) insolvency, receivership, liquidation and sequestration;
- (b) ceased trading/defunct company;
- (c) unable to trace or deceased;
- (d) recommendation of sheriff officer; and
- (e) balances that are uneconomic to pursue.

Where the named Chief Officers consider a debt to be uncollectable they must prepare and retain a schedule of debtors showing name, address, amounts due, and reason for the debt.

The Chief Officer - Finance and the Chief Officer – Customer Experience have authority to write off service income debts up to £25,000.

The Chief Officer - Customer Experience may delegate authority, to nominated officers to write off debts up to the value of £10,000 per debtor, in the categories outlined above, on the basis that a schedule of debt so written off is supplied to The Chief Officer - Customer Experience by the nominated officers on a regular basis, no less frequently than 6 monthly.

The Chief Officer - Customer Experience shall also submit reports, no less frequently than annually, to the City Growth and Resources Committee advising of the number and value of debts exceeding the delegated authority outlined above that they

recommend for write off. This report must include individual details of each debt and the reasons for recommending write-off.

6. RECOVERY OF SERVICE INCOME

6.1 Standard recovery process

Where an invoice for the service has not been paid, a reminder is issued 7 days after the 28-calendar day payment term being reached.

A final notice is issued 14 days after the reminder. This states that there is 7 days to make full payment, failing which legal proceedings will commence.

Debts which still remain outstanding are then passed to the Council's debt collection and Sheriff Officer agent. After all pre-litigation actions, and as a last resort a Court Decree is applied for, thereafter recovery may be enforced by one of the relevant diligences.

- * Arrestment of Bank/Building Society accounts
- * Arrestment of Earnings
- * Inhibition Order
- * Insolvency
- * Attachment of Goods

A customer can contact Aberdeen City Council or the Council's Debt Collection and Sheriff Officers to make a payment arrangement to pay any balance or to query any aspect of the charge.

6.2 Sensitive recovery process

In circumstances where the debtor is a vulnerable person or in respect of services essential to well-being, the Business Services Transaction Team leader has discretion to defer further recovery action (see Appendix A).

Such discretionary recovery will be reported on a monthly basis as part of the performance management regime.

The Business Services Transaction Team Leader may authorise extended credit to customers experiencing a temporary cash flow problem. Extended credit can mean:

- Authorise continued service provision to a customer where historic invoices remain due
- Arrange deferred payment terms for existing and historic invoices

6.3 Payment plans

Payment plans are arranged by the Business Services transactions team. Payment plans must be confirmed in writing to the customer with, where necessary, a target date for the resumption of normal terms.

The policy for payment schedules (payment arrangements) is as follows:

- No arrangements for debts < £100
- Debts between £100 and £1000 – arrangement to a maximum of 12 months
- Debts over £1000 – arrangement to a maximum of 24 months
- Debts over £10,000 must be referred to the Business Services Transaction Team Leader before any arrangement is agreed.

6.4 Cessation of service

Monthly performance information for accounts that are overdue will be prepared by the Business Services Transaction Team.

Where there are outstanding invoices in relation to an ongoing, regular service then provision of service may be withheld where there is not a statutory requirement to provide that service (for example for health and safety reasons).

Each service will maintain a policy in respect to withholding chargeable services for each relevant service. Services essential to well-being will not be subject to cessation.

6.5 Bad debt provision

A provision to protect the Council against a prudent estimate of unpaid debt will be kept in reserve and calculated according to the Council's accounting guidelines and Codes of Practice.

This will be based on an estimate of the percentage of debt that will be unrecoverable based on historic information and known changes in the type of debt or economy.

Specific debts can be incorporated within the Provision at the recommendation of the Business Services Transaction Team leader in conjunction with Accountancy staff.

6.6 Barred debts

Barred debts are governed by the Prescription and Limitation (Scotland) Act 1973. Under this Act some unsecured debts become statute barred (or cease to exist) after 5 years.

The Council and its officers will make all attempts to protect tax-payers by ensuring that debts do not become statute barred.

7. ASSOCIATED DOCUMENTS

In applying this policy, compliance is required with all documents contained within the ACC Scheme of Governance, and specifically with the associated documents set out below.

7.1 Financial Regulations

Financial Regulations are an integral part of the stewardship of Council Funds. Adhering to the Regulations ensures that all financial transactions of the Council are conducted in a manner which demonstrates openness, integrity and transparency. They form a significant part of the governance of the Council.

https://committees.aberdeencity.gov.uk/documents/s80098/AppE_FinancialRegs.pdf

7.2 Corporate Debt Policy

The Corporate Debt Policy covers all types of income receivable by Aberdeen City Council, and sets policy and support where a customer owes more than one type of debt.

Appendix A

Type of Charge	Policy category	Recovery category
Adventure Aberdeen	C	ST
Allotments	C	ST
Beach Ballroom	C	ST
Blue badges	C	ST
Building control fees	S	ST
Building works	T	ST
Car parking	T	ST
Child care	C	ST
Children's hearings	E	SE
Commercial waste	S	ST
Community transport	C	ST
Contract cleaning	S	ST
Creative Learning	C	ST
Crematoria and burial services	C	ST
Design work	S	ST
Domestic household waste charges	C	ST
Environmental services purchases (e.g. planters)	S	ST
Events	S	ST
HMO fees	S	ST
Housing Support Services (e.g. sheltered accommodation)	E	SE
Libraries	C	ST
Licencing	S	ST
MOTs	S	ST
Museums and Art galleries	C	ST
Music tuition	C	ST
Planning fees	S	ST
Property and land charges	T	ST
Protective services licences	S	ST
Protective services inspections	S	ST
Registrar fees	S	ST
Roads and Street works fees	S	ST
Roads and street works fines	S	ST
School meals	C	ST
Social Care charges	E	SE
Sports Lets	C	ST
Staff meals	S	ST
Trade missions	S	ST
Policy categories		
Essential for well-being	E	
Contributes to well-being	C	
Standard service	S	
Trading service	T	
Recovery categories		
Sensitive recovery	SE	
Standard recovery	ST	

PROCEDURE FOR ADMINISTRATION OF SERVICE INCOME

- 1 Raising a new type of charge
- 2 Review and revision of charges
- 3 Methods of collecting income
- 4 Customer choice over payment method
- 5 Sales orders and pricing information
- 6 Raising customer accounts for payment in arrears
- 7 Invoicing
- 8 Payment in advance
- 9 Direct debit
- 10 Credit terms
- 11 Payment methods
- 12 Cancellations and refunds
- 13 Late payment
- 14 Dispute
- 15 Targets for service income
- 16 Performance monitoring of service income
- 17 Reporting of service income
- 18 Dormant accounts and GDPR

1. Raising a new type of charge

Exploring charging mechanism

When developing new services or changing service offerings, officers should have consideration of customer need, demand, operating costs and budget impact and the potential to charge for the service.

There may be different considerations if this is a new charge within an existing type of charge, or a completely new charge, particularly if it relates to a new charging method or site.

Officers should seek advice from their accounting contacts at the earliest opportunity to advise in developing the business case for the change to service and consider charging appropriately for that service.

Setting a charge

Development of new services and service offerings will be reported to the relevant service committee. This will include the business case for the change and all relevant implications.

Where there is a financial implication, this will also require approval by the City Growth and Resources Committee in its remit to oversee the financial stewardship of the council.

Administration

Officers should consult with the Chief Officer – Customer and the Chief Officer – Finance regarding the timetable for implementing a new charge to ensure that appropriate administrative arrangements and controls can be put in place in advance of revenue collection.

2. Review and revision of charges

Budget process

All council charges will be reviewed annually as part of the budget setting process.

This review will align with the charging principles set out in section 3 of this policy. The Chief Officer – Finance will be responsible for ensuring that the review of charges provides sufficient evidence for decision making.

Administration

Officers should consult with the Chief Officer – Customer and the Chief Officer – Finance regarding the timetable for implementing changes to charges to ensure that appropriate administrative arrangements and controls can be put in place in advance of revenue collection.

3. Methods of collecting income

Cash and income collection will be in accordance with Financial Regulations section 5.

There are several methods for collecting service income, that determine the administration and recovery process:

Payment on delivery of service – for example cash till collection for food and drink, electronic payments by handheld device.

This collection method will require controls and secure equipment to ensure that cash and card payments are appropriately recorded by the service.

An electronic return will be completed to the council's cash receipting system and there will be appropriate methods for collection and secure delivery of physical cash. The electronic return will be reconciled on site to the cash and payment record and cash delivery record in accordance with cash receipting procedures. Any discrepancies will be appropriately investigated and resolved by the service.

The electronic return will ensure that the revenue is correctly recorded in the council's financial ledger. This will be reconciled to the council's bank account statements by the Accounting team.

Payment in advance – for example use of accord card or electronic payment and booking in advance.

This collection method will require controls to ensure that advance payments are appropriately recorded by the service.

An electronic record will be passed to the council's cash receipting system. Advance payments will be made electronically.

The electronic record will ensure that the revenue is correctly recorded in the council's ledger. This will be reconciled to the council's bank account statements by the Accounting team.

The electronic record will ensure that the booking of the service is recorded in the service operational system so that the service can be delivered as ordered. Any discrepancies between services paid for and delivered will be appropriately investigated and resolved by the service.

Payment in arrears – for example use of invoice to recover amounts due.

All goods and service requests, bookings or delivery of chargeable services will be recorded in the service operational systems so that the service can be delivered as requested. The service will keep sufficient records of goods and services provided to enable recovery of any relevant charges.

Payment may be due through this method either in arrears of the booking of the service or the delivery of service depending on the service under consideration.

A request to charge will be sent to the business services transactions team to enable the charge to be recorded on the service income recovery system and financial ledger. This request will be fully completed with all relevant details to enable the charge to be invoiced to the customer.

The invoice will be processed in accordance with timely and efficient methods and the invoice sent electronically where possible to the customer.

The customer may pay the invoice through various payment methods as set out in section 6.10.

An electronic record of the payment will be passed to the council's cash receipting system.

The electronic record will ensure that the revenue is correctly recorded in the council's ledger. This will be reconciled to the council's bank account statements by the Accounting team.

Any discrepancies between services paid for and delivered will be appropriately investigated and resolved by the service.

4. Customer choice over payment method

In respect of efficient administration and maximising debt recovery payment on service delivery payment in advance and payment on delivery should always be promoted .

It is important to provide service users with a choice about the method of payment, timing and / or the channel of collection, to help avoid inequity or exclusion of any customer group. However, the type of service and the service objectives and priorities will determine the scope of the channels available.

The council is implementing a programme to reduce payment in arrears and reserves the right to stop the option of this method for certain types of charge.

There are instances where certain choices will not be possible because they are uneconomic or because of the need to improve efficiency. In cases where there is a specific individual customer need for an alternative method of payment due to reasons of vulnerability or disability this will be made available.

5. Sales orders and pricing information

The council will aim to provide clear and transparent information about charges in advance of the request for a good or service.

Where the payment is on delivery of service there will be clear information about the price for that service shown on site.

Where the payment is in advance of service delivery there will be a clear statement of the cost of service ordered in advance of payment and a receipt setting out the detail of that service.

Where the payment will be in arrears the customer will be provided with information at the time of booking or requesting the service to advise of the chargeable costs. This will be provided electronically wherever possible.

For certain services it may be necessary to provide an estimate of cost and this will be clearly set out on any sales order, with the contract being clear that there will be a commitment to pay the full charge in relation to the service received once that service provision has been completed. The service will consider charging a deposit or in advance stages before completion of the service provision where the total cost of the service is estimated to be greater than £100.

6. Raising customer accounts for payment in arrears

Wherever possible monies owed should be collected prior to the supply of the goods and services, especially when dealing with companies or persons from outside the UK.

No debtors invoice should be raised for a value less than £25 (excluding VAT), unless prior dispensation has been granted by the Chief Officer - Finance. This circumstance may arise if there is a specific legal obligation for the Council to raise such a charge. If the charge is for a low value, then the relevant service should reduce the frequency of invoicing.

VAT must be applied in compliance with VAT legislation. Advice on the correct VAT treatment may be obtained from the Council's VAT officer.

Where charges between Services require to be applied, advice must be sought from the Chief Officer - Finance on the most suitable process to achieve this and to ensure that appropriate records are maintained.

Where a service or business need exists invoicing in arrears is permitted. The reason why invoicing in arrears is necessary should be clearly documented, with an agreed timescale for raising the invoice, and the decision must be confirmed by the appropriate Chief Officer. The Chief Officer - Finance shall be notified so that appropriate accounting treatment can be applied to that area of service.

Invoices will clearly state the description and relevant details, including cost and VAT where applicable, of the goods and/or services supplied by the Council.

7. Invoicing

Invoices will be clear and precise relating to the service provided and include any relevant period in which that service was provided. Invoices will be quality checked within the Service Income team and incomplete details/narratives will be queried with the Service provider.

When it is known that a customer requires a Purchase Order Number quoted on their invoice, an Invoice must not be raised until such information is available.

All invoices will show the following Terms of Service:

- Payment to be received by date with appropriate date
- Contact details of the service and what to do in case of dispute
- Payment methods
- Where to pay

Where additional enclosures or information are required to be delivered to the customer in respect of the charge due, the service will liaise with the Business Services Transaction Team to ensure that the information is promptly delivered electronically or by post to the customer and can be related to the invoice.

Business Services Transaction team will administer electronic methods of delivering invoices and printing of service invoices and manage any service failures in this respect.

8. Payment in advance

The Council will move to payment in advance for goods and services.

The priority will be one off services where a clear fixed charge is payable and those services where the maximum financial benefit to the council can be achieved by changing the payment system.

9. Direct debit

The Council will move to offering payment by direct debit for goods and services where there is a recurring charge or in respect of payment schedules.

The priority for offering this payment type will be where the maximum financial benefit to the council can be achieved by changing the payment system.

10. Credit terms

The standard terms of payment for all invoices (excluding certain rental invoices) is 28 days. Note: payment is expected within the 28 day period, not on the 28th day.

Late Payment Interest can be applied to all non-consumer debt as laid down in the Late Payment of Commercial Debts Act. Similar interest may be applied to consumer overdue debt providing the consumer has received prior notification of such charge.

Late payment interest will normally be applied when debts are subject to legal action.

11. Payment methods

Preferred Payment Methods:

Credit or debit card via the Aberdeen City Council Website or automated payment line.

BACS – using the following bank details

The bank details to use are:

For UK payments:

Clydesdale Bank plc
Principle Branch, Queens Cross, Aberdeen
Sort Code 82-60-11
Account 30009059

For non-UK payments:

IBAN: GB90CLYD8260 1130 009059
Swift Code: CLYDGB21350

No other account details should be used for payment of invoices to Aberdeen City Council.

Direct Debit

Direct Debit is available for certain categories of service income debt and will be available for any debt subject to a repayment schedule.

The following methods of payment are also acceptable:

Standing Order

It is the customer's responsibility to set up the Standing Order with their bank and to ensure that the standing order is maintained to take account of increases/decreases in amounts due.

Cash/Cheque payment at one of the Council's Customer Access Points (CAP's) via a payment kiosk

In all cases when making a payment, the customer should quote their DCA number (their unique customer reference number) and, where the payment is not being made by Direct Debit or Standing order, the invoice number to which the payment relates.

12. Cancellation and refund

There are occasions when customers need to cancel the service request and a credit note or refund of payment may be required.

Services will advise the Business Services Transaction Team when a credit note or refund is due for significant payment on delivery, any payment in advance or payment in arrears. Services will record the non delivery of goods or receipt of service in their service system.

Credit notes must indicate the invoice number or payment in advance to which the credit relates and state a reason for the credit.

Refunds in respect of immediate payments on delivery will be addressed by the service as part of the cash handling process. (e.g. food not meeting specification)

Refunds must be approved in accordance with the authorised signatory list.

The Council will adopt a corporate approach to refunding credits or making payments, in that wherever possible checks will be made for other outstanding debts due to the Council, prior to a refund or payment being made.

Where these checks identify outstanding debts, we will write to the customer stating that the credit will be offset against debt, unless they object within 7 days.

The Business Services Transaction Team will administer the credit note and refund where applicable ensuring appropriate payment is made to the customer and records are maintained in the financial ledger, cash receipting system and bank account.

13. Late payment

When an invoice or other request for payment is issued it should always contain clear and unambiguous information about the charges made so that the customer can understand the payment due. If payment is required in advance, but this is done by

way of an invoice, the invoice should be sent out in sufficient time to allow payment to be made by the due date or within the timescales specified.

If payment is not received by the due date, it then becomes a late payment. Depending on the type of payment, a recovery process will be put into action once the payment is late by more than a prescribed time.

14. Dispute

All invoices subject to a dispute must be notified to the Business Services Transaction Team by the service. Where the customer disputes the invoice direct with the Business Services Transaction Team that will be notified to the service. Invoices under dispute will not be subject to recovery action.

As part of the Council's commitment to improving service levels, queries and disputes are to be resolved as quickly as possible in conjunction between the Business Services Transaction Team and the service.

Invoices subject to dispute for more than 14 days will be reported to the Business Services Transaction Team leader and Service Manager for review and escalation.

Invoices subject to dispute for more than 28 days will be reported to the relevant Chief Officers for review and escalation.

A resolved dispute is classified as:

- The service accepts the customer is correct and they receive full credit,
- The customer is partly correct and that is agreed with the service and the customer receives partial credit
- The customer accepts they are incorrect and after discussion with the service agrees to pay the full amount of the invoice
- There is no agreement between the service and the customer, however, the service maintains they are correct and the debt is reinstated in the system for further recovery action.

The target is that all disputes will be resolved within 56 days of the dispute being raised.

Appropriate records will be maintained of any communication in respect of dispute by the Business Services Transaction Team and the service.

15. Targets for Service income

In every case where charges are made and income is collected, income targets should be set and monitored and this should be part of the service and budget monitoring process. Targets are set for the total amount of income to be generated each year for each service in the budget setting process. Where income is significant, performance targets should also be set to monitor usage levels, collection information and debt levels.

16. Performance monitoring of Service Income

Monitoring income collection performance is necessary to assess the success of charging for service delivery. The outcomes of this should be compared to council and service income targets, objectives and priorities. A clear distinction should be made in all reports between income that has been invoiced and that which has been collected.

Effective monitoring can only take place if clear targets are set and information is collected and analysed on a regular basis. Better performance monitoring will enable more accurate reporting of income and this in turn will improve the basis on which decisions about income generation, charging and collection are made in future.

Performance will generally be expressed in one or more of the following reports for total debt and type of charge:

- Aged Debt Analysis
- Number and Value of Invoices raised and paid
- Number and Value of Accounts Outstanding
- Overdue Debt against Annual Revenue (12 month average),
- Percentage of unallocated cash when measured against 12 months cash receipts
- Level and age of unresolved disputes
- Debts subject to Payment Arrangements
- Debts subject to Deferred Recovery Action
- Customers subject to a cessation of service

Monthly performance information will be referred to relevant team leaders, service managers and Chief Officers for further decision and escalation.

17. Reporting of Service Income

Where income generation is central to achieving service objectives and priorities, up to date reporting on income performance can help to identify and address related service issues. Finance and performance monitoring reports should include information on current performance against the income targets set for the service in question and identify whether performance has improved or is deteriorating. They should also offer proposals for dealing with poor performance, both short-term measures and longer-term proposals. This may include reviewing charges.

Annual fees and charges reports are a crucial element of income generation and charging policy as they set the level and scope of charges. They should include information about recent performance against targets and how income contributes to service objectives and priorities. This will assist the decision making process, particularly where there are proposals for significant changes to fees and charges.

18. Dormant accounts and GDPR

The requirements of the General Data Protection Regulation will be complied with. Accounts where invoicing has been in abeyance and where there is a zero balance will be regularly identified to the relevant Service. If no further service is anticipated, the account will be closed within the system.