

# St Helena Government Charging Policy 2013

## (Annex B to the Financial Regulations)

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### Background

St Helena Government makes charges for a range of services to a number of different customer groups. The basis of the charging can be:

- A statutory prescribed sum, designed to raise revenue;
- The passing on of costs incurred in providing services with or without an administration fee;
- A sum that does not recover costs of the service either because of an unwritten policy to subsidise or by default, for historic or other reasons.

There may be instances where no charge is made. Again this can be a deliberate decision or by default as the option has never been considered. But this should never be the default position as full cost recovery should always be the aim when services are provided to the public.

Many of the charges have not been revised for a number of years; potential income is therefore being lost.

### The Charging Policy

In drafting a policy, the differing nature of St Helena Government's activities can mean a risk of becoming over prescriptive in the detailed level so that an inappropriate policy for one area of activity applies due to the needs of another.

The following are aimed at being basic corporate principles to be adopted on a flexible basis to suit the detailed needs of services and customers.

All directorates must carry out an annual review where:

- A statutory charge is levied; and
- A discretionary charge can be levied.

Any proposals for new or changed service activity shall include an assessment of charging implications.

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### Government Strategy

Income Generation is one of the key priorities of SHG. It is not, however, merely about generating extra money through charging. Charges should be constructed and administered within clear policies that aid delivery of other priorities.

A Charging policy can help improve access to services for disadvantaged groups, encourage or deter activity that respectively benefits or damages the environment or improves healthy activity by increasing participation. Ensuring a proper flow of resources for the Government to help maintain its activities is an important aspect although the emphasis should be on appropriate charges rather than maximum charges.

### Resource Implications

Charging for services has significant implications for the Government. No direct resource implications arise from this policy although the principles approved should ensure a better basis for recognising and managing the implications of charges and charging policy in the future.

### Key elements of the Charging Policy

- a) St Helena Government (ExCo, Committees and Officials) will continue to review when fees and charges are levied and endeavour to allocate the decision for setting fees to appropriate levels. This must be at least annually;
- b) Where discretionary charges are set the general aim must be to cover the full cost of the service;
- c) Where discretionary charges do not currently cover the cost of the service provided there must be an agreed plan to achieve full recovery over a period of time or a fully reasoned policy to limit the rate of recovery;
- d) A social charge is set at a level at below full cost recovery so as not to deter access to a service (i.e. dental and prescription charges) but to enable a contribution to costs to be made;

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- e) Where appropriate, charges may be varied to reflect different timing, speed and volume of service delivery. Differential charges may also be considered;
- f) Where concessions are granted they shall be administered in a way that allows the level and value to be assessed and facilitates a review process that measures the level of success in delivering the outcome driving the granting of a concession;
- g) Fees and Charges, including decisions not to charge, must be reviewed annually in sufficient time for impact of revisions to be included in the budget setting process. Annual reviews must not be a simplistic addition of a flat rate increase;
- h) The setting of charges must take account of the method of levying and the mechanics and cost of collection. Advance collection or collection at the point of delivery shall be the preferred method of collection, especially for small sums or regular payments;
- i) Implementation of the charging policy must be an integral part of budget setting process;
- j) All increases in fees or charges should be discussed with Corporate Finance before being implemented and/or approved by EXCO; and
- k) Any new fees or charges must be discussed with Corporate Finance before being submitted to Committee for approval.