

## CABINET

<b>Date of Meeting</b>	Tuesday 13 <sup>th</sup> July 2021
<b>Report Subject</b>	Annual Review of Fees and Charges 2021
<b>Cabinet Member</b>	Cabinet Member for Corporate Management and Assets
<b>Report Author</b>	Chief Executive
<b>Type of Report</b>	Operational

### **EXECUTIVE SUMMARY**

The 2021 review of fees and charges has been completed in line with the Council's Income Generation Policy, which sets out the rationale and process for an annual review of fees and charges, The outcome of this review is set out in Appendix A and will apply from 1<sup>st</sup> October 2021.

Applying the principles contained within the Council's Income Generation Policy, version two of which was endorsed by Cabinet in July 2020, has ensured that any changes to charging has been appropriately managed under the 2021 review.

This report also outlines the requirements of the annual review of fees and charges for 2022, particularly for those fees and charges subject to an inflationary uplift every three years.

### **RECOMMENDATIONS**

1	That Cabinet approves the schedule of fees and charges documented in Appendix A for implementation on 1 <sup>st</sup> October 2021.
2	That Cabinet requests that a customer friendly version of the schedule of fees and charges, documented in Appendix A, to be produced and published.
3	That Cabinet notes the requirements of the annual review of fees and charges for 2022 and requests that the detail of the extent of the achievement of these requirements is captured in the annual review of fees and charges report for 2022, to be brought to Cabinet in July 2022.

## **REPORT DETAILS**

<b>1.00</b>	<b>EXPLAINING THE LATEST POSITION ON FEES AND CHARGES</b>
1.01	<b>Background</b>  The Council provides a wide array of services, some of which customers are required to pay a fee or charge for. The income generated from these fees and charges forms part of the strategy of options to meet the Medium Term Financial Strategy (MTFS).
1.02	The Council's rationale and guiding principles for charging is set out in its Income Generation Policy, version two of which was endorsed by Cabinet in July 2020.
1.03	The Policy requires an annual review of all fees and charges to be reported to Cabinet in July of each year in advance of implementation on 1 <sup>st</sup> October each year.
1.04	<b>Annual Review of Fees and Charges 2021</b>  The 2021 annual review of fees and charges has been completed and the results of this review are presented in Appendix A, as a collated schedule of fees and charges to be applied from 1 <sup>st</sup> October 2021 (unless otherwise stated).
1.05	In alignment with the Council's Income Generation Policy the review: <ul style="list-style-type: none"><li>• Is linked to the Medium Term Financial Strategy, work for which is running concurrently;</li><li>• Has been conducted annually and is being reported to Cabinet in July prior to implementation; and</li><li>• Had a default position of increasing in line with inflation for all applicable fees and charges.</li></ul>
1.06	One of the principles of the Council's Policy on fees and charges is that charges are transparent and communicated to customers with reasonable notice. To fulfil this principle, it is proposed that a customer friendly version of the 2021 schedule of fees and charges, containing the key information presented in Appendix A, is produced and published on the Council's website.
1.07	<b>Looking Forward: 2022 Annual Review of Fees and Charges</b>  In July 2019 and as formalised in version two of the Income Generation Policy in 2020, Cabinet agreed that all fees and charges should achieve full cost recovery or market comparable rate wherever possible, with a phased approach to achieving this by October 2022 for those fees and charges that were not already doing so.
1.08	In addition, it was agreed that some fees and charges applicable for an annual inflation uplift would only be uplifted every three years, with an uplift equivalent to the two preceding years, plus current year, inflation amounts. In most, but not all cases, this applies to fees and charges so small that an annual uplift is not practical.

1.09	These two factors will require a more thorough review of fees and charges under the 2022 annual review. It will be necessary to demonstrate whether or not full cost recovery is being achieved by all applicable fees and charges and to apply the three yearly uplifts to relevant fees and charges. This process will be instigated, co-ordinated and overseen by the Corporate Finance Team.
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<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	The generation of income from fees and charges is part of the strategy of options to meet the challenge of the MTFS.
2.02	Estimations of income generated through the application of fees and charges, and any increases to them, is monitored and factored into budget setting and the MTFS. The 2021/22 budget for income generated through fees and charges is circa. £17m.

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>
3.01	As this report presents an annual, operational update report on progress against the process and policy for conducting the annual review of fees and charges, no Integrated Impact Assessment (IIA) has been completed.
3.02	In line with the Council's Income Generation Policy, applicable fees and charges have been subject to an annual inflation uplift using one of the three agreed inflation indices: the normative Consumer Prices Index including owner occupier Housing costs (CPIH) 12 month rolling rate as of March (1% for March 2021); market rate comparable changes; or the Council's inflation rate. This ensures that relative increases are applied and managed responsibly.
3.03	Whilst it is not the purpose of this report to outline the impact of the COVID-19 pandemic on income generation through fees and charges, it should be noted that demand for some services may not have fully recovered and in some areas fees and charges have been temporarily suspended.

<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
4.01	The principles and process for the annual review of fees and charges were considered and endorsed by the Corporate Resources and Overview Scrutiny Committee and Cabinet in July 2019. These were included within the Council's Income Generation Policy (version two), which was endorsed by Cabinet in July 2020.
4.02	The annual review of fees and charges, and introduction of any new fees or charges, is overseen and monitored by Portfolio Programme Boards.

4.03	New discretionary fees and charges are approved under Delegated Powers/Authority processes, prior to which an IIA should have been completed considering the Sustainable Development Principles, Wellbeing Goals and Council's Wellbeing Objectives, along with any potential equality and/or diversity issues.
4.04	For the purposes of transparency it is recommended that Cabinet request a customer friendly version of the schedule of fees and charges, which shows the frequency of charging (one off, weekly, monthly, etc.), is produced and published for 2021.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix A: 2021 Schedule of Fees and Charges

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	The 2019 Fees and Charges Report to Cabinet, along with recommendations and decisions, can be accessed online: <a href="https://committeemeetings.flintshire.gov.uk/ieIssueDetails.aspx?IId=27693&amp;PlanId=0&amp;Opt=3#AI19191&amp;LLL=0">https://committeemeetings.flintshire.gov.uk/ieIssueDetails.aspx?IId=27693&amp;PlanId=0&amp;Opt=3#AI19191&amp;LLL=0</a>
6.02	The 2020 Fees and Charges Report to Cabinet, along with version two of the Income Generation Policy can be accessed online: <a href="https://committeemeetings.flintshire.gov.uk/ieListDocuments.aspx?CId=391&amp;MId=4462&amp;Ver=4&amp;LLL=0">https://committeemeetings.flintshire.gov.uk/ieListDocuments.aspx?CId=391&amp;MId=4462&amp;Ver=4&amp;LLL=0</a>

<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	<p><b>Contact Officer:</b> Kelly Oldham-Jones, Income Generation and Marketing Manager</p> <p><b>Telephone:</b> 01352 702143</p> <p><b>E-mail:</b> <a href="mailto:kelly.oldham-jones@flintshire.gov.uk">kelly.oldham-jones@flintshire.gov.uk</a></p>

<b>8.00</b>	<b>GLOSSARY OF TERMS</b> <b>These are provided corporately on the Infonet (link) and maintained by the Executive Office</b>
8.01	<p><b>Full cost recovery:</b> the fees and charges applied for services cover both the direct and indirect costs of service delivery/provision</p> <ul style="list-style-type: none"> <li>• Direct costs: costs that are completely associated with the delivery of a service or production of a product.</li> <li>• Indirect costs: also known as overheads these are the costs that are incurred by organisations as part of their operations but which are not directly attributable to a specific service or product.</li> </ul>

**Income Generation Policy:** the Council's Policy which sets the rationale for income generation, including the setting and review of fees and charges

**Inflation index:** is a tool that measures the rate of inflation (rises in prices).

**Inflation uplift:** increase in price based on an inflation index

**Integrated Impact Assessment (IIA):** systematic analysis of a service or policy to identify the potential effects on different groups and/or the environment with an aim to then minimise any negative impacts and enhance any positive impacts.

**Market rate:** is the usual price charged for goods and services.

**Medium Term Financial Strategy (MTFS):** a written strategy which gives a forecast of the financial resources which will be available to a Council for a given period, and sets out plans for how best to deploy those resources to meet its priorities, duties and obligations.