

## CABINET

<b>Date of Meeting</b>	Tuesday, 23 <sup>rd</sup> July 2024
<b>Report Subject</b>	Annual Review of Fees and Charges 2024
<b>Cabinet Member</b>	Cabinet Member for Finance and Social Value
<b>Report Author</b>	Corporate Finance Manager and Chief Executive
<b>Type of Report</b>	Operational

### **EXECUTIVE SUMMARY**

The 2024 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 2024.

Applying the principles contained within the Council's Income Generation Policy has ensured that any changes to charging has been appropriately managed and the latest version of the policy is attached as Appendix B.

This report also outlines the ongoing requirements of the annual review of fees and charges for 2024, particularly for those fees and charges who are still to demonstrate that they achieve full cost recovery.

### **RECOMMENDATIONS**

1	That Cabinet approves the schedule of fees and charges documented in Appendix A for implementation on 1 <sup>st</sup> October 2024.
2	That Cabinet agrees that a customer friendly version of the schedule of fees and charges, documented in Appendix A, be produced and published.

## **REPORT DETAILS**

<b>1.00</b>	<b>EXPLAINING THE LATEST POSITION ON FEES AND CHARGES</b>
1.01	<p><b>Background</b></p> <p>The Council provides a wide array of services, for some of which customers are required to pay a fee or charge. The income generated from these fees and charges forms part of the budget strategy of options that contribute to the Medium Term Financial Strategy (MTFS).</p>
1.02	<p>Applying the principles contained within the Council's Income Generation Policy has ensured that any changes to charging has been appropriately managed and the latest version of the policy is attached as Appendix B.</p>
1.03	<p>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.</p>
1.04	<p><b>Annual Review of Fees and Charges 2024</b></p> <p>The 2024 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 2024 (unless otherwise stated).</p>
1.05	<p>In alignment with the Council's Income Generation Policy the review:</p> <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	<p>The Income Generation Policy refers to the need for all fees and charges to achieve full cost recovery or market comparable rate wherever possible.</p> <p>Services have been asked to consider this as part of this year's review, and information has been updated within the schedule accordingly.</p> <p>The Corporate Finance Team will continue to support services in developing fees and charges to meet full cost recovery as part of ongoing reviews, and further work will be undertaken throughout the financial year.</p>
1.07	<p>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 2024 schedule of fees and charges, containing the key information presented in Appendix A, is produced and published on our website.</p>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	The generation of income from fees and charges is part of the budget strategy of options that contributes to meet the challenge of the Medium Term Financial Strategy.
2.02	Estimations of income generated through the application of fees and charges, and any increases to them, is monitored and factored into the budget setting process.. The 2024 review is estimated to generate an additional £0.085m per annum, with £0.050m of that already built into 2024/25 budgets, so this is an additional contribution of £0.035m to the 2025/26 budget.

<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 (3.8% for March 2024); 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. The Councils aim to achieve full cost recovery by 2022 was prior to the COVID19 pandemic which will have had an impact on services achieving full cost recovery, and work will continue with services to achieve that throughout this financial year.

<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. An update to that Policy was endorsed by Cabinet in July 2022 and this is attached as Appendix B.
4.02	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.

4.03	For the purposes of transparency, it is recommended we publish a customer friendly version of the schedule of fees and charges, which shows the frequency of charging (one off, weekly, monthly, etc.) for 2024.
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<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix A: 2024 Schedule of Fees and Charges Appendix B: Income Generation Policy (Version 3)

<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?Id=27693&amp;PlanId=0&amp;Opt=3#A19191&amp;LLL=0">https://committeemeetings.flintshire.gov.uk/ieIssueDetails.aspx?Id=27693&amp;PlanId=0&amp;Opt=3#A19191&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>
6.02	The 2021 Fees and Charges Report to Cabinet can be accessed online: <a href="https://committeemeetings.flintshire.gov.uk/ieListDocuments.aspx?CId=391&amp;MId=4913&amp;Ver=4&amp;LLL=0">https://committeemeetings.flintshire.gov.uk/ieListDocuments.aspx?CId=391&amp;MId=4913&amp;Ver=4&amp;LLL=0</a>
6.03	The 2022 Fees and Charges Report to Cabinet can be accessed online: <a href="https://committeemeetings.flintshire.gov.uk/ieListDocuments.aspx?CId=391&amp;MId=5078&amp;Ver=4&amp;LLL=0">https://committeemeetings.flintshire.gov.uk/ieListDocuments.aspx?CId=391&amp;MId=5078&amp;Ver=4&amp;LLL=0</a>
6.04	The 2023 Fees and Charges Report to Cabinet can be accessed online: <a href="https://committeemeetings.flintshire.gov.uk/ieListDocuments.aspx?CId=391&amp;MId=5321&amp;Ver=4&amp;LLL=0">https://committeemeetings.flintshire.gov.uk/ieListDocuments.aspx?CId=391&amp;MId=5321&amp;Ver=4&amp;LLL=0</a>

<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	<b>Contact Officer:</b> Dave Ledsham, Strategic Finance Manager <b>Telephone:</b> 01352 704503 <b>E-mail:</b> <a href="mailto:dave.ledsham@flintshire.gov.uk">dave.ledsham@flintshire.gov.uk</a>

<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
8.01	<b>Full cost recovery:</b> the fees and charges applied for services cover both the direct and indirect costs of service delivery/provision <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.