

CABINET

Date of Meeting	Tuesday 18 th July 2023
Report Subject	Annual Review of Fees and Charges 2023
Cabinet Member	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
Report Author	Corporate Finance Manager and Chief Executive
Type of Report	Operational

EXECUTIVE SUMMARY

The 2023 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 1st October 2023.

Applying the principles contained within the Council's Income Generation Policy, version three of which was endorsed by Cabinet in July 2022, has ensured that any changes to charging has been appropriately managed under the 2023 review.

Version three of the policy is attached as Appendix B.

This report also outlines the ongoing requirements of the annual review of fees and charges for 2023, 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 st October 2023.
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

1.00	EXPLAINING THE LATEST POSITION ON FEES AND CHARGES
1.01	<p>Background</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 strategy of options to meet the Medium Term Financial Strategy (MTFS).</p>
1.02	<p>The Council's rationale and guiding principles for charging is set out in its Income Generation Policy, version three of which was endorsed by Cabinet in July 2022. A copy of the policy is attached to this report 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 1st October.</p>
1.04	<p>Annual Review of Fees and Charges 2023</p> <p>The 2023 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 1st October 2023 (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">• Is linked to the Medium Term Financial Strategy, work for which is running concurrently;• Has been conducted annually and is being reported to Cabinet in July prior to implementation; and• Had a default position of increasing in line with inflation for all applicable fees and charges.
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. For those fees and charges not already at that level, there was a phased approach which aimed to achieve this by October 2022.</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</p>

	of the 2023 schedule of fees and charges, containing the key information presented in Appendix A, is produced and published on our website.
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2.00	RESOURCE IMPLICATIONS
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 2023 review is estimated to generate an additional £0.310m as an additional efficiency to the 2024/25 budget.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
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 (8.9% for March 2023); 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.

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
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 2023.

5.00	APPENDICES
5.01	Appendix A: 2023 Schedule of Fees and Charges Appendix B: Income Generation Policy (Version 3)

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	The 2019 Fees and Charges Report to Cabinet, along with recommendations and decisions, can be accessed online: https://committeemeetings.flintshire.gov.uk/ieIssueDetails.aspx?Id=27693&PlanId=0&Opt=3#A19191&LLL=0
6.02	The 2020 Fees and Charges Report to Cabinet, along with version two of the Income Generation Policy can be accessed online: https://committeemeetings.flintshire.gov.uk/ieListDocuments.aspx?CId=391&MId=4462&Ver=4&LLL=0
6.02	The 2021 Fees and Charges Report to Cabinet can be accessed online: https://committeemeetings.flintshire.gov.uk/ieListDocuments.aspx?CId=391&MId=4913&Ver=4&LLL=0
6.03	The 2022 Fees and Charges Report to Cabinet can be accessed online: https://committeemeetings.flintshire.gov.uk/ieListDocuments.aspx?CId=391&MId=5078&Ver=4&LLL=0

7.00	CONTACT OFFICER DETAILS
7.01	Contact Officer: Sara Dulson, Strategic Finance Manager Telephone: 01352 702287 E-mail: sara.dulson@flintshire.gov.uk

8.00	GLOSSARY OF TERMS These are provided corporately on the Infonet (link) and maintained by the Executive Office
8.01	Full cost recovery: the fees and charges applied for services cover both the direct and indirect costs of service delivery/provision <ul style="list-style-type: none"> • Direct costs: costs that are completely associated with the delivery of a service or production of a product.

- **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.

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.