



## Cabinet (Resources) Panel

### 3 October 2017

<b>Report title</b>	Fees and Charges Review 2018-2019	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Andrew Johnson Resources	
<b>Corporate Plan priority</b>	Confident Capable Council	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All	
<b>Accountable Director</b>	Claire Nye, Director of Finance	
<b>Originating service</b>	Strategic Finance	
<b>Accountable employee</b>	Michelle Howell	Finance Business Partner
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<b>Report to be/has been considered by</b>	Strategic Executive Board	12 September 2017
	Confident, Capable Council	22 November 2017
	Scrutiny Panel	

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#### Recommendation(s) for action or decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the fees and charges [as set out in Appendices A to D] to take effect from 1 November 2017 (or as soon as possible thereafter).
2. Approve that in the following instances, authority be jointly delegated to the responsible Strategic Director in consultation with the Director of Finance, to vary fees and charges during the financial year:
  - a. Where the cost of food (including frozen food) and drink procured for resale or onward supply changes, fees and charges may be set taking the new costs into account.

- b. Where short-term change in fees and charges to ensure that a business opportunity can be pursued or secured; if the change is for a period of more than two months then the change should be referred to Cabinet (Resources) Panel for decision during the two month period.
  - c. Where an opportunity arises to secure a sale by matching the price to that of an organisation the Council is in competition with, ensuring that satisfactory 'price match' documentation is maintained to evidence the one-off fee amendment.
  - d. Where market conditions dictate, leisure membership fees may be varied providing that satisfactory market information is maintained.
  - e. Leisure centre activity prices may be varied in line with market conditions providing that satisfactory market information is maintained.
  - f. Charges to partner organisations for support services may be varied.
  - g. Court summons costs charged to council tax and business rates payers may be varied following default on payments.
  - h. Where the cost of poison procured for the purpose of pest control changes, pest control fees and charges may be varied in proportion with the change in costs.
  - i. Where market conditions dictate, charges for commercial waste collection may be varied providing that satisfactory market information is maintained.
  - j. Library charges may be varied to fall in line with Black Country Libraries in Partnership (BCLiP) participating authorities (Dudley, Walsall, Wolverhampton and Sandwell).
  - k. Adult Education Service charges may be varied in response to Skills Funding Agency and Education Funding Agency funding allocations for the applicable academic year.
  - l. Charges to schools/academies for services delivered under Service Level Agreements (SLAs) may be varied.
  - m. Where bespoke professional services are provided to external organisations.
3. Approve that in the following instances, authority be jointly delegated to the responsible Cabinet Member for the service and Cabinet Member for Resources, in consultation with the relevant Strategic Director and the Director of Finance as appropriate, to vary existing fees and charges during the financial year:
- a. Where the Council wishes to subsidise a charitable event that may not break even financially for the authority.
  - b. Where the Council wishes to generate income from advertising upon Council property.

- c. Where the Council wishes to vary charges for bars and catering.
  - d. Where it is beneficial to the Council to generate additional income that will reduce the net budget.
- 4. Approve that where there is an opportunity to secure an act or event or utilise available rooms or halls for hire within Visitor Economy services and the projected net cost of the act, event or room hire generates a commercial return (including taking account of secondary spend from catering and sales), authority shall be jointly delegated to the Head of Service - Visitor Economy and the Director of Finance to vary the fees and charges. Any such variations will be recorded, along with the reason, as part of the normal evidencing process for audit purposes. Details of any variations should to be reported to Strategic Finance in a format agreed by the Director of Finance.
  - 5. Approve that, should any amendment be made to the VAT treatment of specific fees and charges, authority to vary those fees and charges be delegated to the Cabinet Member for Resources, together with the responsible Cabinet Member, in consultation with the Director of Finance and the responsible Strategic Director.
  - 6. Approve that any variations to fees and charges made under recommendations 2 to 5 above must be properly documented and appropriate records retained to ensure that there are robust records for the purpose of independent audit.

**Recommendations for noting:**

The Cabinet (Resources) Panel is asked to note:

- 1. That the fees and charges for the following items, are not reviewed as part of this report as they will be subject to separate arrangements for their approval:
  - a. Adult social care contributions to care packages.
  - b. Street trading, Hackney Carriage and private hire licensing and general licensing charges.
  - c. Food and drink (for onward supply or resale) prices (see recommendation 2.a.).

## **1.0 Purpose**

- 1.1 The purpose of this report is to present recommended tariffs for the majority of fees and charges receivable by the Council, to take effect from 1 November 2017 (or as soon as possible thereafter).

## **2.0 Background**

- 2.1 The Council makes a wide range of fees and charges for many of its services. Some are discretionary and others are either specified or restricted by legislation or Government policy.
- 2.2 The following outlines the requirements of the Financial Procedure Rules with regard to fees and charges:

1. All fees and charges within the Council's control, influenced by or associated with the Council, shall be approved by the Cabinet (Resources) Panel.
2. The Section 151 Officer shall prepare, not less than once in any twelve month period, a comprehensive fees and charges report to the Cabinet (Resources) Panel, which shall include recommendations on revisions to all fees and charges within the Council's control, influenced by or associated with the Council (with the exception of fees and charges relating solely to the Housing Revenue Account). This shall include reference to all relevant fees and charges for which no change is proposed.
3. All fees and charges shall take into account the full costs of the service in question, including recharges for support services and capital charges, subject to any approvals under paragraph 6.
4. All fees and charges shall be fully reviewed at least once in any twelve month period.
5. At the point of review, all fees and charges shall take into account the increase in the estimated costs of the service in question (taken over the forthcoming twelve months), subject to any approvals under paragraph 6.
6. Any deviation from paragraphs 3 or 5 shall in itself require the approval, on an individual fee or charge basis, of Cabinet (Resources) Panel.
7. In considering whether to grant an approval, the Cabinet (Resources) Panel shall consider the following factors: underlying cost and the extent of cost recovery and or subsidy, comparison with other providers of similar or equivalent services, affordability and effect on demand, as well as any other relevant considerations.
8. All Fees and charges shall be approved on a VAT exclusive basis.

9. The Section 151 Officer (or his/her delegate) shall maintain a register of all fees and charges currently receivable by, influenced by or associated with the Council.

### **3.0 Recommended Fees and Charges**

- 3.1 Appendices A to C provide a detailed listing of all of the Council's fees and charges presented for approval at this meeting of Cabinet (Resources) Panel.
- 3.2 Once again, the fees and charges presented in this report have been subject to on-going, detailed review in recent months as part of the annual assessment in accordance with the Council's Constitution. Focus has been paid to assessing the level of cost recovery of each fee or charge and relevant statute and regulation as applicable. Market conditions have been considered where relevant and as a result several fees and charges have been frozen or reduced to ensure that the Council remains competitive.
- 3.3 Schedule One of the Building Act 1984 identifies the Regulations which Local Authorities have a duty to enforce in relation to the setting of Building Control Charges. Therefore, these charges have been set in accordance with the Building (Local Authority Charges) Regulation 2010, as required by the Building Act 1984. The Scheme for recovery of Building Regulation Charges and Associated Matters for the City of Wolverhampton Council is included at Appendix D.

### **4.0 Other Fees and Charges**

- 4.1 The Council also levies other fees and charges that are not included in Appendices A to C for which no recommendation is being made in this report. These are:
1. Charges relating to adult social care contributions to care packages which are set in line with the national benefits system and will be the subject of a separate report to Cabinet (Resources) Panel.
  2. Charges relating to street trading, Hackney Carriage and Private Hire licensing and general licensing which will be considered separately by the Licensing Committee on 24 January 2018.
  3. Fees and charges relating to food and drink; for the reasons outlined in 4.3 below, it is proposed that any changes to the current level of these charges will be dealt with through delegated authority for which approval is sought in this report (see recommendation 2.a. above).
- 4.2 In addition, where applicable, the Council may charge for the provision of bespoke professional services to external organisations (for example, legal, accounting, architectural and engineering services). A quotation of proposed charges, based on full cost recovery, will be provided in advance to the external body for this purpose.
- 4.3 There are certain circumstances where for operational reasons and to afford the necessary commercial and legal flexibility, it is proposed that:

1. Authority be jointly delegated to the responsible Strategic Director in consultation with the Director of Finance, to vary fees and charges during the financial year or,
2. Authority be jointly delegated to the responsible Cabinet Member for the service and Cabinet Member for Resources, in consultation with the relevant Strategic Director and the Director of Finance, to vary fees and charges during the financial year.

- 4.4 As in previous years, delegated authority is requested for the Cabinet Member for Resources together with the responsible Cabinet Member, in consultation with the Director of Finance and the responsible Strategic Director, to adjust any fees and charges as appropriate, where this is as a result of any changes to the VAT treatment.
- 4.5 It is important to note that in accordance with delegated authority, as approved by Cabinet (Resources) Panel on 20 October 2015, a policy for charging parents for the placement costs of Looked After Children who are subject to a Full Care Order or a S20 Voluntary arrangement, was approved by the Cabinet Member for Children and Young People in consultation with the Strategic Director of People for implementation and application from 1 October 2016. Full details are available in the 'Policy for charging parents for Looked after Children (LAC) Services' Individual Executive Decision Notice.
- 4.6 Any variations to fees and charges within the scope of this report made under delegated authority must be properly documented and retained by the relevant officers to ensure that there is a robust audit trail.

## **5.0 Evaluation of alternative options:**

- 5.1 In determining the proposed fees and charges for approval, consideration has been made to the impact on demand as a result of price fluctuations and commercialisation. Some prices have been frozen or reduced, whilst others have been uplifted. If we were to freeze all prices at the current levels, any potential additional income that could be generated to support the Council over the medium term would be lost. This would therefore impact on the resources available to the Council and potentially service delivery.

## **6.0 Reasons for decision(s):**

- 6.1 It is recommended that the fees and charges as set out in Appendices A to D are approved for implementation from 1 November 2017 (or as soon as possible thereafter). It is anticipated that the implementation of the revised fees and charges will generate additional income which will contribute towards reducing the Council's projected medium term budget deficit, which stands at £15.5 million to be identified by 2019-2020, as reported to Cabinet on 19 July 2017.

## **7.0 Financial implications**

- 7.1 Increases in fees and charges income will contribute to reducing the Council's medium term budget deficit, which is projected to be £15.5 million by 2019-2020 as stated in the Draft Budget and Medium Term Financial Strategy 2018-2019 to 2019-2020 report presented to Cabinet on 19 July 2017.
- 7.2 Any impact on budgets arising as a result of the proposed fees and charges will be incorporated into the 2018-2019 budget setting process and will be reflected in future Budget and Medium Term Financial Strategy update reports to Cabinet.
- 7.3 It is important to be aware that additional income from increases in fees and charges is uncertain, as the resulting impact upon demand that will arise from changes in fees and charges cannot be predicted with certainty, although this is considered during the price setting process.
- 7.4 The impact of these changes to fees and charges will be examined closely throughout 2018-2019 and the remainder of 2017-2018 as part of the Council's revenue budget monitoring arrangements and where appropriate, further reports will be presented to Councillors.  
[RP/12092017/U]

## **8.0 Legal implications**

- 8.1 The Council is under a constitutional duty to review its fees and charges at least annually and to maintain a register of such charges. This report and the attached appendices meet this constitutional requirement.  
[RB/12092017/A]

## **9.0 Equalities implications**

- 9.1 The Council operates an open and consultative approach to the development of its budget and the general financial position of the Council has, once again, been the subject of detailed public consultation. The changes to fees and charges outlined in the report are primarily as a result of cost increases and inflationary pressures to ensure the Council recovers its costs where possible and provides best value to residents and customers.
- 9.2 Where possible, charges have been frozen in order to minimise the impact on those groups that fall under the protected characteristics (e.g. the costs for certain leisure activities and library charges). This has formed part of the Council's cumulative consideration, which sits alongside the review of individual fees and charges

## **10.0 Environmental implications**

- 10.1 There may be environmental implications arising from some of the proposed tariff changes but this will vary depending on the nature of the services. Individual environmental implications will, therefore, be assessed as part of the fees and charges setting process.

## **11.0 Human resources implications**

- 11.1 This report has no direct human resources implications.

## **12.0 Corporate landlord implications**

- 12.1 Several of the tariffs in the attached appendices fall with the responsibility of the Corporate Landlord function. The proposed fees and charges are consistent with current policies for the service.

## **13.0 Schedule of background papers**

Draft Budget and Medium Term Financial Strategy 2018-2019 to 2019-2020, report to Cabinet, 19 July 2017.

Fees and Charges Review 2017/18, report to Cabinet (Resources) Panel, 4 October 2016.