



# Cabinet (Resources) Panel

11 March 2014

<b>Report title</b>	Fees and Charges Review 2014/15	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	All	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Simon Warren, Chief Executive Sarah Norman, Community Keith Ireland, Delivery Tim Johnson, Education and Enterprise	
<b>Originating service</b>	Strategic Financial Services	
<b>Accountable employee(s)</b>	Mark Taylor Tel Email	Assistant Director Finance 01902 556609 mark.taylor@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Strategic Executive Board Budget Working Party	26 February 2014 3 March 2014

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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 31 March 2014.
2. Approve in the following instances that authority be delegated to the responsible Head of Service to vary fees and charges during the financial year:
  - a. Where the cost of food and drink procured for resale increases, fees and charges can be increased in proportion with the increased costs, after consulting with the Assistant Director Finance or their representative.

- b. Where an opportunity arises to secure an act or event at short notice and the projected net cost of the act or event is to break even or better, after consulting with the Assistant Director Finance or their representative.
  - c. Where an opportunity arises to secure an act or event at short notice and there is a projected net cost of the act or event, after consulting with the responsible Assistant Director and the Assistant Director Finance or their representative.
  - d. Where Strategic Executive Board agree to a 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 or more than two months then the change to be referred to Cabinet (Resources) Panel for decision during the two month period.
  - e. Where an opportunity arises to secure a sale by matching the price to that of an organisation the Council is in competition with, after consulting with the Assistant Director Finance or their representative, ensuring that satisfactory 'price match' documentation is maintained to evidence the one-off fee amendment.
  - f. Where the Council wishes to subsidise a charitable event that may not breakeven that this be considered via an Individual Executive Decision Notice to be approved by the Cabinet Member for Leisure and Communities, the Cabinet Member for Resources and the Assistant Director Finance, using a standard template.
  - g. Where market conditions dictate, leisure membership will be varied after consulting with the Assistant Director Finance or their representative, ensuring that satisfactory market information is maintained.
  - h. Leisure Centre activities prices can be varied in line with market conditions after consulting with the Assistant Director Finance or their representative, ensuring that satisfactory market information is maintained.
  - i. Charges to partner organisations for support services after consulting with the Assistant Director Finance or their representative.
  - j. Court summons costs charged to council tax and business rates payers following default on payments after consulting with the Assistant Director Finance or their representative.
3. Approve that, should any amendment be made to the VAT treatment of specific fees and charges, authority be delegated to the Cabinet Member for Resources together with the responsible Cabinet Member in consultation with the Assistant Director Finance and the responsible Strategic Director.
  4. Approve that any variation to fees and charges made under delegated authority must be recorded in order to ensure that there is a robust audit trail.

5. Approve that authority be delegated to the responsible Cabinet Member in consultation with the responsible Strategic Director and Assistant Director Finance to vary charges for bars and catering.
6. Approve that authority be delegated to the Cabinet Member for Leisure and Communities and the Cabinet Member for Resources, in consultation with the Strategic Director for Education and Enterprise and the Assistant Director Finance to approve the 2014/15 charges for Cultural services.
7. Approve that, in accordance with the requirements of the Financial Procedure Rules, any other variation to fees and charges during the financial year must be approved in advance at Cabinet (Resources) Panel, using the standard report template.

**Recommendations for noting:**

The Cabinet (Resources) Panel is asked to note:

1. That the fees and charges detailed in paragraph 4.1, have been approved separately and are therefore not subject to review as part of this report.
2. That fees and charges related to all Youth Centres are not included in this report as they are to remain unchanged from 2013/14 whilst a review and/or reorganisation of the service provision is undertaken.

## **1.0 Purpose**

- 1.1 The purpose of this report is to present recommended levels for the majority of fees and charges receivable by the Council, to take effect from 1 April 2014.

## **2.0 Background**

- 2.1 The council makes a wide range of fees and charges for many of its services. Some are at its discretion, and others are either specified, or heavily restricted, by legislation or Government policy.
- 2.2 The requirements of the financial procedure rules with regard to fees and charges are quoted in full below (Appendix 2, page 77):
- a. All fees and charges within the Council's control, influenced by or associated with the Council, shall be approved by the Cabinet (Resources) Panel.
  - b. 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.
  - c. 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.
  - d. All fees and charges shall be fully reviewed at least once in any twelve month period.
  - e. At the point of review, all fees and charges shall take into account the increase (expressed in percentage terms) in the estimated costs of the service in question (taken over the forthcoming twelve months), subject to any approvals under paragraph 6.
  - f. Any deviation from paragraphs 3 or 5 shall in itself require the approval, on an individual fee or charge basis, of Cabinet (Resources) Panel.
  - g. 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.
  - h. All fees and charges shall be approved on a VAT-exclusive basis.

- i. 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.

- 2.3 Although all fees and charges set or influenced by the council would ordinarily fall within the scope of this report, a number have been excluded for various reasons which are set out at paragraph 4.1.
- 2.4 A full review of the VAT treatment of all fees and charges is currently being undertaken to ensure that the effect of all applicable legislation and guidance changes are taken into account. Delegated authority is requested for the Cabinet Member for Resources together with the responsible Cabinet Member in consultation with the Assistant Director, Finance in consultation with the Cabinet Member for Resources together with the Cabinet Member and the responsible Strategic Director responsible for the service to which it relates. to adjust any fees and charges as appropriate where as a result of any changes to the VAT treatment

### **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 by Cabinet (Resources) Panel, including percentage increases where appropriate.
- 3.2 The fees and charges presented for approval in this report have been subject to detailed review in recent months. Focus has been paid to assessing the level of cost recovery of each fee or charge, and the market limits.
- 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 Wolverhampton City Council is included in Appendix D.

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

- 4.1 The council also levies other fees and charges that are not included in Appendix A to C, which would normally be approved by the Panel as part of this report but for which no recommendation is being made on this occasion. This includes the following, for which the reasons that a recommendation is not being made in this report are set out below:
  - a. The charges relating to Adult Social Care Contributions to Care were approved by Cabinet on 25 February 2014.
  - b. The charges relating to Street Trading, Hackney Carriage & Private Hire Licensing and General Licensing were approved by the Licensing Committee on 26 February 2014.

- c. Fees and charges relating to food and drink are not included in this report; any changes will be dealt with through delegations set out as part of the new fees and charges protocol, which is set out below and for which approval is sought within this report.
- d. A full review of the Council's Youth Centres is currently underway in relation to savings proposals put forward in the 2014/15 budget. Whilst the service provision is being evaluated fees and charges in these centres are to remain at 2013/14 levels.
- e. A review of fees and charges for Cultural services in 2014/15 is being undertaken and will be approved by the Cabinet Member for Leisure and Communities and the Cabinet Member for Resources, in consultation with the Strategic Director for Education and Enterprise and the Assistant Director, Finance.

4.2 In the following instances authority will be delegated to the responsible Head of Service to vary fees and charges during the financial year:

- a. Where the cost of food and drink procured for resale increases, fees and charges can be increased in proportion with the increased costs, after consulting with the Assistant Director Finance or their representative.
- b. Where an opportunity arises to secure an act or event at short notice and the projected net cost of the act or event is to break even or better, after consulting with the Assistant Director Finance or their representative.
- c. Where an opportunity arises to secure an act or event at short notice and there is a projected net cost of the act or event, after consulting with the responsible Assistant Director and the Assistant Director Finance or their representative.
- d. Where Strategic Executive Board agree to a 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 or more than two months then the change to be referred to Cabinet (Resources) Panel for decision during the two month period.
- e. Where an opportunity arises to secure a sale by matching the price to that of an organisation the Council is in competition with, after consulting with the Assistant Director Finance or their representative, ensuring that satisfactory 'price match' documentation is maintained to evidence the one-off fee amendment.
- f. Where the Council wishes to subsidise a charitable event that may not breakeven that this be considered via an Individual Executive Decision Notice to be approved by the Cabinet Member for Leisure & Communities, the Cabinet Member for Resources and the Assistant Director Finance, using a standard template.

- g. Where market conditions dictate, leisure membership will be varied after consulting with the Assistant Director Finance or their representative, ensuring that satisfactory market information is maintained.
- h. Leisure Centre activities prices can be varied in line with market conditions after consulting with the Assistant Director Finance or their representative, ensuring that satisfactory market information is maintained.
- i. Charges to partner organisations for support services after consulting with the Assistant Director Finance or their representative.
- j. Court summons costs charged to council tax and business rates payers following default on payment after consulting with the Assistant Director Finance or their representative.

4.3 It is planned that amendments will be proposed to change the Council's constitution in order to incorporate delegations in line with those above in order to remove the necessity for the annual approval in the fees and charges report.

## **5.0 Financial Implications**

5.1 Increases in fees and charges will contribute to reducing the council's medium term budget deficit, which is projected to be £59.2 million by 2018/19 as stated in the 5 Year Budget and Medium Term Financial Strategy 2014/15 to 2018/19 report presented to Cabinet on 25 February 2014.

5.2 Some of these increases in fees and charges have already been taken into account in the 2014/15 budget, whilst others have not, therefore any additional income arising from these increases will be reflected in the revised budget to be reported to Council in July 2014.

5.3 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.

5.4 The impact of these adjustments to fees and charges will therefore be monitored closely throughout 2014/15 and if appropriate further reports will be presented to Councillors.

[NA/26022014/T]

## **6.0 Legal Implications**

6.1 The Council is under a duty to review its fees and charges at least annually and to maintain a register of such charges.

[AS/27022014/Y]

## **7.0 Equalities Implications**

- 7.1 The Council operates an open and consultative approach to the development of its budget and consultation on the general financial position of the Council has been the subject of detailed public consultation. This report and the fees and charges it describes have been based on a series of contributing equality analyses. These analyses vary in complexity in relation to the relevance of the fees and charges under consideration to the requirements of the Equality Act and Public Sector Equality Duty. Managers developing new sets of fees and charges have been aware of the equality impact of these changes and will monitor and report back in due course.
- 7.2 Councillors should also be aware that they must have due regard to the Public Sector Equality Duty (PSED) created by Section 149 of the Equality Act 2010 when making budget decisions. What this means in practice is that Councillors must consciously think about the aims of the PSED as part of the decision making process.

## **8.0 Environmental Implications**

- 8.1 This report has no environmental implications.

## **9.0 Schedule of Background Papers**

5 Year Budget and Medium Term Financial Strategy 2014/15 to 2018/19, Cabinet, 25 February 2014

Increase in Adult Social Care non-residential contribution rates, Cabinet, 25 February 2014

Review of Fees and Charges for Street Trading Consents for 2014/15, Licensing Committee, 26 February 2014

Review Prior to Renewal of a Hackney Carriage and Private Hire Vehicle Driver's Licence, Licensing Committee, 26 February 2014

Review of Fees and Charges for General Licensing and Miscellaneous Matters for 2014/15, Licensing Committee, 26 February 2014