



CABINET - 27TH MARCH 2019

SUBJECT: PROPOSED CHANGES IN FEES AND CHARGES

REPORT BY: INTERIM CORPORATE DIRECTOR – COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 To seek Cabinet approval for officer delegation to apply changes to certain fees and charges within the Communities Directorate and for officer delegation to be agreed for future changes to be applied in the interest of business efficiency.

2. SUMMARY

- 2.1 On 21st February 2019 Council considered and agreed the Authority's 2019/20 budget but there were no generic fees and charges increases contained within the budget report.
- 2.2 The Authority's financial regulations require Cabinet approval for any increases in fees and charges over and above those agreed as part of the budget setting process at Council.
- 2.3 As there were no generic increase in fees and charges within the Full Council report on the 2019/20 budget, this Cabinet report outlines a number of service areas within the Communities Directorate where fees and charges need to be increased as a result of inflationary and/or commercial market conditions and seeks Cabinet approval in delegating responsibility for implementing any increases to the relevant Head of Service in consultation with the Director, relevant Cabinet Member and Head of Corporate Finance.

3. RECOMMENDATIONS

- 3.1 Cabinet is asked to note the services where fee and charge changes need to be applied and authorise the relevant Head of Service in consultation with the Director, relevant Cabinet Member and Head of Corporate Finance to implement changes in line with inflationary and/or commercial conditions prevailing for the service(s).
- 3.2 That the relevant Head of Service records and posts any increases in fees and charges in accordance with the Authority's scheme of delegation.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that services can respond to inflationary and/or commercial market conditions and that the correct processes in accordance with the Authority's Financial Regulations and Scheme of Delegation are followed.

5. THE REPORT

5.1 The Authority's Financial Regulations (paragraph 13.07) state that:-

All fees and charges will be reviewed annually by each Director. Inflationary increases will be agreed as part of the budget setting process for Council. Increases above those agreed as part of the budget setting process will require Cabinet approval. Statutory charges will be reported as and when the Council is notified of any increases.

5.2 In the Council's scheme of delegation the Chief Executive, Director or Head of Service, in consultation with the Head of Corporate Finance and relevant Cabinet Member, has the power to set all fees and charges in accordance with the Council's policies.

5.3 Members will be aware of the ongoing significant financial challenges moving forward with further savings of circa £44m anticipated for the four-year period 2020/21 to 2023/24. In looking to develop proposals to address this challenge it is widely accepted that the Council cannot continue as it is. There is a need to examine the way in which we use our resources to deliver services required by our communities across the county borough.

5.4 The Corporate Management Team is currently working with the Cabinet to establish a vision for 'Caerphilly 2022' and this will form the basis of a report to Cabinet in April 2019. The report will set out details of a programme to examine how services are prioritised, how they can become more business efficient through a series of service reviews, exploring opportunities for greater customer focus, digital delivery, alternative delivery models, and commercial opportunities; whilst looking at preventative measures that will encourage early intervention that will ultimately allow the demand for certain services to be better controlled.

5.5 As part of this new way of working a Commercial Strategy will be developed which will set out a framework to review current fees and charges and to identify new opportunities for income generation. This Strategy will need to provide a greater degree of flexibility and delegation in relation to decisions around fees and charges and will be subject to a separate report to Cabinet later this year.

5.6 The Communities Directorate provides a large number of front line services with a complex range of fees some of which are statutory in nature (e.g. planning, licensing, food hygiene rating etc.) and others which are commercial in nature and discretionary (e.g.: sport and leisure, building control, event booking fees, venue admission, events spaces/pitches, equipment hire, food and beverages at tourist destinations, commercial waste etc.).

5.7 As a result of the discretionary and commercial nature of these services there is a requirement for each service to have the flexibility to change and remain competitive in an often complex commercial environment. This will often necessitate changing fees and charges to reflect commercial conditions (this could mean increasing or reducing fees and charges).

5.8 In addition to the need for response to commercial/market changes, there are often complex inflationary increases applied to certain services which are not in-line with the typical inflationary indices (retail price index, RPI or consumer price index, CPI) that have been used in the past.

5.9 An example is the Commercial Waste service where the inflationary pressures are three-fold and comprise disposal contract inflation, wage related inflation for collection operatives and fuel inflation. In this regard, although Council agreed pay related growth and non-pay inflationary growth for expenditure budgets as part of the 2019-20 budget setting process, the complexity of other inflationary pressures requires the ability for services to respond by increasing their fees and charges accordingly.

- 5.10 In such circumstances there is a need for services to pass on the inflationary increase through fees and charges (while also seeking to remain competitive in a commercial environment).
- 5.11 The table below outlines the list of services where flexibility to apply fee changes need to be agreed for 2019/20.

Service Area	Service Fee/Charge
Waste Strategy & Operations	<ul style="list-style-type: none"> • Commercial Waste Charges
Green Spaces & Transport	<ul style="list-style-type: none"> • MOT & Minibus Testing Fees • Outdoor Facilities Fees • Invasive Species Treatments
Sport & Leisure	<ul style="list-style-type: none"> • Caerphilly Adventures Activity Charges • Sports Development Activity Charges • Leisure Centre Activity Charges • Leisure Centre Room Hire
Regeneration & Planning	<ul style="list-style-type: none"> • Building Control Fees • Venue & Events Fees (Booking Fees, Venue Admission Charges, Room Hire, Event Pitches, Equipment Hire) • Venue Merchandising • Venue Catering • Property Portfolio Rentals

6. ASSUMPTIONS

- 6.1 There are no specific fees and charges set out in this report as the report is seeking flexibility for services to respond to inflationary and commercial pressures or opportunities.
- 6.2 However, if Cabinet is minded to agree the flexibility for service areas to respond to these changes it has been assumed that:-
- (i) The Head of Service will liaise with the relevant Cabinet Member, and Corporate Director (Communities) & Head of Corporate Finance in determining fee increases.
 - (ii) Any increases will be recorded and posted in accordance with the Authority's scheme of delegation.
 - (iii) Any savings resulting from fee increases will form part of the Medium Term Financial Plan (MTFP) savings considerations for the service/directorate from 2020/21 onwards.

7. LINKS TO RELEVANT COUNCIL POLICIES

- 7.1 Effective financial planning, the setting of balanced budgets and efficient delivery of services is at the heart of everything the Council does and is fundamental to the future of local service delivery.
- 7.2 The principles articulated in this report will assist services to remain commercially competitive, to assist with the achievement of efficient service delivery while delivering against future savings requirements.
- 7.3 The report therefore contributes to all of the objectives within the corporate plan 2018-2023 and the Authority's MTFP principles.

8. WELL-BEING OF FUTURE GENERATIONS

8.1 Effective financial planning and effective budget setting and management supports the 7 Well-being goals within the Well-being of Future Generations Act (Wales) 2015, namely:-

- A Prosperous Wales
- A Resilient Wales
- A Healthier Wales
- A More Equal Wales
- A Wales of Cohesive Communities
- A Wales of Vibrant Culture & Thriving Welsh Language
- A Globally Responsible Wales

8.2 Affordability, sustainability and competitiveness of services ensures their longevity and the ethos of this report is to provide the flexibility to achieve this.

8.3 Consequently the affordability of services cuts across of all the 7 Well-being goals listed above.

9. EQUALITIES IMPLICATIONS

9.1 An EIA screening has been completed in accordance with the Council's Strategic Equality Plan and supplementary guidance. No potential for unlawful discrimination and/or low level or minor negative impact has been identified, therefore a full EIA has not been carried out.

10. FINANCIAL IMPLICATIONS

10.1 The ability to be flexible to market demands or trends and inflationary pressures is fundamental to the future competitiveness (and ultimately survival), and efficiency of many of the front line services delivered by Caerphilly County Borough Council.

10.2 While the financial benefits of the approach advocated in this report are difficult to accurately quantify, the approach will benefit services moving forward and enable Heads of Service to divert income above budget target levels into the MTFP for 2020-21 onwards.

11. PERSONNEL IMPLICATIONS

11.1 There are no specific personnel implications associated with this report although it is important to note that additional income and the enhanced competitiveness of services is likely to have a positive effect on protecting front line service jobs.

12. CONSULTATIONS

12.1 The consultees listed below have been consulted on this report and their views have been incorporated accordingly.

13. STATUTORY POWER

13.1 Local Government Act 2003.

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Consultees: Councillor Barbara Jones, Deputy Leader & Cabinet Member for Finance,
Performance & Governance
Councillor Sean Morgan, Deputy Leader & Cabinet Member for Economy,
Infrastructure, Sustainability & Wellbeing of Future Generations
Councillor Nigel George, Cabinet Member for Neighbourhood Services
Councillor Eluned Stenner, Cabinet Member for Environment, Public Protection &
Planning
Councillor Lisa Phipps, Cabinet Member for Homes & Places
Christina Harray, Interim Chief Executive
Ed Edmunds, Corporate Director for Education & Corporate Services
Dave Street, Corporate Director for Social Services & Housing
Nicole Scammel, Head of Corporate Finance & Section 151 Officer
Steve Harris, Interim Head of Business Improvement Services
Rob Hartshorn, Head of Public Protection, Community & Leisure Services
Rhian Kyte, Head of Regeneration & Planning
Marcus Lloyd, Head of Infrastructure
Mark Williams, Interim Head of Property
Rob Tranter, Head of Legal Services and Monitoring Officer