

Committee: **Cabinet**

Date of meeting: **21 February 2024**

Report Subject: **Discretionary Fees & Charges 2024/2025**

Portfolio Holder: **Councillor Steve Thomas, Leader / Cabinet Member
Corporate Overview and Performance**

Report Submitted by: **Rhian Hayden – Chief Officer Resources**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
	1/2/24				19/2/24	21/2/23	27/2/23	

1. **Purpose of the Report**

1.1 The purpose of this report is for Members to approve the discretionary fees & charges to be applied for the 2024/2025 financial year, including the core fees & charges to be operated by the Aneurin Leisure Trust.

2. **Scope and Background**

2.1 The Income Policy was agreed by Council in May 2014 and included the following:

- Relevant legislation which allows councils to generate a range of fees and charges and that income is a budget and funding tool;
- The range of areas in scope;
- Key principles such as the rationale for charging, ability to charge, service cost recovery, subsidies and concessions, trading, income collection, debt management and income management;
- A decision tree for deciding whether to charge;
- Detailed principles;
- Income management which included the creation of a fees and charges register.

2.2 Income from Fees & Charges contributes £14.5m (approx. 8%) to the overall funding the Council receives to deliver its services to the residents of Blaenau Gwent.

2.3 The Council is facing significant financial challenges over the next 5 years with an estimated budget gap of £34m, with increasing costs resulting from high inflation, increasing demand and higher than anticipated pay awards.

2.4 The Bridging the Gap Programme includes a Strategic Business Review on Discretionary Fees & Charges to ensure that the Council is maximising its income by ensuring fees and charges are set at a level that covers the costs of delivering the goods and services it provides where appropriate.

2.5 The current Fees and Charges register has been reviewed to:

- Ensure all fees & charges included on the register are relevant for 2024/2025.
- Reflect changes in local and national policy and charges.
- Reflect the impact on discretionary fees & charges of the assumption included within the Medium-Term Financial Strategy (MTFS) where appropriate.
- Reflect the impact on discretionary fees & charges of the business case proposal to increase income by £100,000 for 2024/2025.

3. **Options for Recommendation**

3.1 **Option 1**

1. Members consider and recommend to Cabinet and Council the register of Fees & Charges for 2024/2025 attached at Appendix 1 and for discretionary fees & charges approve:

- a fee uplift of 4% in line with the assumption for inflation within the MTFS
- the alternative fee proposed as detailed in paragraphs 5.1.4 to 5.1.14.
- Planning Fees attached at Appendix 2

2. Members consider and recommend to Cabinet and Council that they approve delegated power and responsibility to the Interim Director of Social Services for setting the fees and charges for 2024/2025 relating to the provision of external social care as detailed in paragraph 5.1.6.

3. Members consider and recommend to Cabinet and Council to approve the core price increases relating to Aneurin Leisure Trust attached at Appendix 3.

3.2 **Option 2 (Preferred Option)**

1. Members consider and recommend to Cabinet and Council the register of Fees & Charges for 2024/2025 attached at Appendix 1 and for discretionary fees & charges approve:

- a fee uplift of 5% in line with the proposed business case (attached at Appendix 4)
- the alternative fee proposed as detailed in paragraphs 5.1.4 to 5.1.14.
- Planning Fees attached at Appendix 2.

2. Members consider and recommend to Cabinet and Council that they approve delegated power and responsibility to the Interim Director of Social Services for setting the fees and charges for 2024/2025 relating to the provision of external social care as detailed in paragraph 5.1.6.

3. Members consider and recommend to Cabinet and Council to approve the core price increases relating to Aneurin Leisure Trust attached at Appendix 3.

3.3 **Option 3**

1. Members consider and recommend to Cabinet and Council not approve the register of Fees & Charges for 2024/2025 and core price increases for Aneurin Leisure Trust and propose alternative fee increases.

2. Members consider and recommend to Cabinet and Council not to approve the delegation to the Interim Director of Social Services for setting the fees and charges for 2024/2025 relating to the provision of external social care

3. Members consider and recommend to Cabinet and Council not to approve the core price increases relating to Aneurin Leisure Trust attached at Appendix 3.

4. **Evidence of how this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

4.1 This report supports the Corporate Plan outcome “an ambitious and innovative Council delivering the quality services at the right time and in the right place”.

4.2 Income from Fees & Charges contributes funding (approx.8%) towards delivering Council priorities and supports the Councils’ financial resilience.

5. **Implications Against Each Option**

5.1 ***Impact on Budget (short and long term impact)***

5.1.1 The assumption in the Medium term Financial Strategy and the 2024/2025 draft estimates assumes that income budgets will increase by 4% in line with the assumption for inflation. Inflation is currently 4.6% (October 2023) and with pay awards expected to continue around 5% for 2024/2025 (2023/2024 average pay award 6.4%), costs of delivering services are increasing significantly.

5.1.2 As a consequence of the increased costs that the Council is experiencing and is expecting to continue during 2024/2025, Council is asked to consider a 5% uplift to all Discretionary Fees & Charges in line with the proposed Business Case.

5.1.3 The proposed 2024/2025 register of Fees & Charges is attached at Appendix 1. The register includes the charge for 2023/2024, the fee levels for 2024/2025 if increased by 4% and 5% or alternative % increases proposed by officers.

5.1.4 Licensing Fees have been included on the Register for completeness and these were considered by Licensing Committee on 30 January 2024 and subsequently approved by the Director of Environment

5.1.5 Fees & Charges where no fee increase is proposed.

5.1.6 No fee increase is proposed for regulated fees which are specified by Government or other regulated bodies. Should these fees increase subsequently, the Fees & Charges Register will be updated to reflect the revised fee.

5.1.7 **Social Services**

- Care Fees - These fees are currently under negotiation with Providers to reflect the appropriate increase to cover the additional cost of the Real Living Wage, energy costs etc.
- Blaina ICC – Light and sensory room hire at £3 per hour. No increase applied as the current charge represents full cost recovery.

5.1.8 **Corporate Services**

- Registrars non statutory ceremonies to remain at £455 - proposed fees to remain cash flat as the current fees are significantly higher than neighbouring councils (e.g. Caerphilly CBC £137 and Torfaen CBC is £255)

5.1.9 **Environment**

- Outdoor Street Markets to remain cash flat – to encourage new market traders to take up stalls.
- Pest Control – These fees are paid direct to the contractor.
- Planning & Estates fees – These are currently under review.
- Licensing Fees- Powys County Council agrees the fee for licenses relating to animals.

5.1.10 Fees & Charges where the uplift proposed is greater than 5%:

5.1.11 **Social Services**

- Bert Denning Hydrotherapy Pool – Proposed fee increase between 30% (£12.50) and 47% (£11.84) to reflect full cost recovery.
- Blaina ICC Room Hire – Proposed Fee uplift of £0.50 which equates to a 13% to 50% increase.
- Community Meals – Proposed fee uplift of £0.67 (13%) per meal to reflect full cost recovery.

5.1.12 Corporate Services

- Administration of Appointeeships – Proposed fee increase of 12% to move towards full cost recovery.

5.1.13 Environment

- Countryside Rights of Way Orders & Personal Searches – Proposed fee increase ranging from 4.5% to 280% to reflect full cost recovery.
- Stary Dogs Release Fee – Proposed fee increase of 25% to 35% to reflect the increased kennelling costs.
- MOT Charges – Proposed fee increase of 13% to £45 to reflect the local market.
- Trading Standards fees - 8% to 14% uplift. These fees are agreed by Cymru Group Partnership of Local Authorities.
- Trade Waste – There is a business case proposing a range of increases for trade waste from 5% to 20%, and the charges for 2024/2025 will be determined as part of the Business Case consideration.

5.1.14 Planning

- Planning Fees – A range of fee increases from 0% to 67%, the increase mainly affecting fees charged to large developers.

5.1.15 Fees & Charges where the uplift proposed is less than 4%:

5.1.16 Corporate Services

- Registrars Weddings / Civil Partnerships – Proposed fee uplift is 2% as the current charges are significantly higher than neighbouring councils, (e.g, Caerphilly £457 and Torfaen £280, Monmouth £304).

5.1.17 Aneurin Leisure Trust has submitted a list of proposed fees and charges for 2024/2025 (attached at Appendix 3) for Core Services, to be approved by Council in line with the Funding and Management agreement. The proposed increases range from 0% for Junior Lifestyle studio to 9% for Angling Club junior day ticket.

5.1.18 The inflationary increase is based on the rate as at October 2023 of 6.7% which is significantly lower than the increase in operational costs that the Trust are experiencing (207% increase in energy costs).

5.2 ***Risk including Mitigating Actions***

5.2.1 Fee increases may impact on demand from residents as they continue to be impacted by the cost of living crisis. This could result in a reduction in income that the Council receives, particularly in the short term.

Demand and the impact on the budget will be monitored and reported as part of the Financial Reporting Framework.

5.2.2 Not increasing discretionary fees & charges in line with the assumption in the MTFs of 4% will result in cost pressures emerging in 2024/2025 as income will not achieve the income target, income budgets will need to be restated to 2023/2024 levels, the impact of which will increase the budget gap by around £0.6m.

5.2.3 Not increasing discretionary fees & charges in line with the proposed Business Case for 5% increase, will not generate any additional income to contribute to the budget gap for 2024/2025.

5.3 ***Legal***

5.3.1 There are no direct legal implications arising out of this report. However, charging and trading for local authorities must comply with the Local Government Act 2003 and The Localism Act 2011.

5.4 ***Human Resources***

N/A

6. **Supporting Evidence**

6.1 ***Performance Information and Data***

6.1.1 The proposed register of Fees & Charges is attached at Appendix 1.

6.2 ***Expected outcome for the public***

6.2.1 The setting of fees and charges on an annual basis is essential to maintaining economic resilience, however, these should be set at a cost that considers full cost recovery and what local people can afford, taking into account the protected characteristics.

6.3 ***Involvement (consultation, engagement, participation)***

6.3.1 The review of the Fees & Charges Register has been prepared in consultation with relevant officers.

6.3.2 Services look to involve partners and citizens in consultation where possible. The impact of these charges will be reviewed throughout the year by officers, along with any issues raised by users of the services affected.

6.4 ***Thinking for the Long term (forward planning)***

6.4.1 Full cost recovery will support the long term financial resilience and the ability to maintain facilities and services for the people of Blaenau Gwent.

6.5 ***Preventative focus***

6.5.1 Income generation contributes funding towards delivering Council Services and investing into early intervention and prevention activities.

6.6 ***Collaboration / partnership working***

6.6.1 The Council works in partnership with Aneurin Leisure Trust to deliver services to the public in support of the well-being objectives.

6.7 ***Integration (across service areas)***

6.7.1 The services provided have a positive impact socially and on the health and wellbeing of those who use the facilities provided.

6.8 ***Decarbonisation and Reducing Carbon Emissions***

N/A

6.9 ***Integrated Impact Assessment (IAA)***

7. **Monitoring Arrangements**

7.1 The regular review of the corporate fees and charges register is a vital component of the Council's budget setting proposal and should be monitored and refreshed to ensure it is in line with the Council's agreed income policy and Medium Term Financial Strategy.

Background Documents /Electronic Links

- *Appendix 1 – Fees and Charges 2024-25*
- *Appendix 2 – Planning Preliminary Advice*
- *Appendix 3 – ALT Core Fees*
- *Appendix 4 – Business Case*