

Committee: Corporate Overview Scrutiny Committee

Date of meeting: **19th November 2019**

Report Subject: **Bridging the Gap – Fees and Charges Strategic Business Review**

Portfolio Holder: **Councillor Daniels, Leader / Executive Member Corporate Services**

Report Submitted by: **A L Clark – Chief Officer Commercial**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
	29.10.2019	06.11.19			19.11.2019		12.12.19	

1. Purpose of the Report

- 1.1 To update members on the Strategic Business Review on Fees and Charges. This review was initially part of the WAO Financial Resilience Audit however it is now a Strategic Business Review that is part of the Medium Term Financial Strategy and Bridging the Gap programme.

2. Scope and Background

- 2.1 The Council recognises the challenges that it faces in the short, medium and long terms and has developed a programme of Strategic Business Reviews to deal with potential gaps between anticipated funding and expenditure that aims to build financial resilience.
- 2.2 The Strategic Business Review on Fees and Charges is designed to ensure 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. There is a strong link between this Strategic Business Review and the Income Recovery Strategic Business Review. This review focusses on checking that all agreed uplifts are applied, that full cost recovery is applied to fees and charges where this is appropriate and that all options for applying fees and charges are explored to provide choice to members.
- 2.3 This Strategic Review has identified the following opportunities and implementation is already underway on:
- A review of the income generation policy was undertaken by an external consultant in 2018. This review confirmed that the policy was robust and relevant to support the financial priorities and strategic priorities for the Council. It covers the key considerations to apply when considering charging or amending charges.

5.2 *Risk including Mitigating Actions*

- 5.2.1. The risks in terms of achievement of the anticipated increase income include reduced income from other fees and charges or a drop in demand. The application of the full cost recovery calculator across all fees and charges is designed to build resilience and create a fuller picture of where there are opportunities for applying above inflationary uplifts. The Strategic Business Review on Fees and Charges is monitored monthly at CLT as part of the monitoring of the Bridging the Gap Programme. This ensures that any potential risks are identified early and action is taken in a timely manner to keep the review process on track.

5.3 *Legal*

- 5.3.1 Any legal implications will be addressed as the Strategic Business Review is developed when due diligence will be applied to any service changes or new charging arrangements are put in place.

5.4 *Human Resources*

- 5.4.1. There are no staffing implications arising from this report.

6. **Supporting Evidence**

6.1 *Bridging the Gap Programme – Scope and details*

- 6.1.1 The approach has a particular emphasis on:

- Maximising the potential of income generation and taking a clearly commercial approach where it is appropriate to do so;
- Re-procurement and re-negotiation of contracts;
- Exploiting the opportunity that digital transformation can provide;
- Making best use of our assets and property;
- Considering what action we can take to influence and reduce demand;
- Looking for opportunities to support residents to do more for themselves;
- Exploiting the opportunities to strengthen financial resilience by supporting growth in the borough

- 6.1.2 Bridging the Gap Programme of Strategic Business Reviews cover:

Maximising income

Review of Industrial Units

Review of fees and charges

Commercial Waste

Income Recovery

Commercial activity, investment and new income

Maximising Resources

Review of third party expenditure

Assets and Property

Use of external grants

Managing Demand

Reducing demand by changing behaviours

Prevention and early intervention services

Maximising Enablers

Customer Experience

Work Place Transformation

Using data to deliver better services

Maximising Growth

Growth Strategy

Low Carbon

6.2 *Expected outcome for the public*

This report provides information relating to the Medium Term Financial Strategy and the financial resilience of the organisation.

6.3 *Involvement (consultation, engagement, participation)*

Ongoing monitoring of the outcomes of the Strategic Business Review will include identification of consultation, engagement and participation opportunities. The whole Bridging the Gap programme will also be part of public consultation that will take place during the Autumn of 2019.

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

The decisions made as part of the Bridging the Gap programme are designed to support the long term financial resilience of the Council and to influence the design of services for the future.

6.5 *Preventative focus*

Where possible the impact of the Strategic Business Reviews will reflect our aspiration to invest in preventative services and to identify where we can strengthen our approach.

6.6 *Collaboration / partnership working*

Where possible the impact of the Strategic Business Reviews will reflect our aspiration to invest in collaboration/partnership working and to identify where we can strengthen our approach across the public sector.

6.7 *Integration (across service areas)*

Where possible the impact of the Strategic Business Reviews will reflect our aspiration to invest in cross service working and to identify where we can strengthen our approach across the public sector.

- 6.8 *EqlA(screening and identifying if full impact assessment is needed)*
Ongoing monitoring of the outcomes of the Strategic Business Reviews will include screening based on EqlA and identification of any changes where a full assessment is needed.

7. **Monitoring Arrangements**

- 7.1 *State how the work will be monitored e.g. through scrutiny or directorate performance management arrangements*

Monitoring the financial and non-financial impact of this Strategic Business Review will be done by the Chief Officer Commercial to identify any over or under achievement of expectation. A detailed project plan is in place with key milestones. The Chief Officer Commercial will report into CLT on this Strategic Business Review on a monthly basis. CLT will review highlight reports to check the anticipated savings are being realised. Corporate Overview Scrutiny Committee will regularly receive progress updates and individual scrutiny committees will also review portfolio specific review. Any decisions relating to the Strategic Business Reviews will go through the usual Council decision making processes in line with the Budget setting process.

Background Documents /Electronic Links

- Appendix 1 – Bridging the Gap Proposal – Fees and Charges