

REPORT TO THE CABINET
16 JUNE 2020

Cabinet Member: Councillor Ioan Thomas, Cabinet Member – Finance

Subject: COVID19: Fixed Fee Considerations

Contact officer: Ffion Madog Evans, Senior Finance Manager
Dafydd L. Edwards, Head of Finance Department

1 Decision sought

The Cabinet is requested to provide guidance on whether or not it requires some fixed fees to be reduced or deferred as a result of the COVID19 crisis, in order to be able to act accordingly.

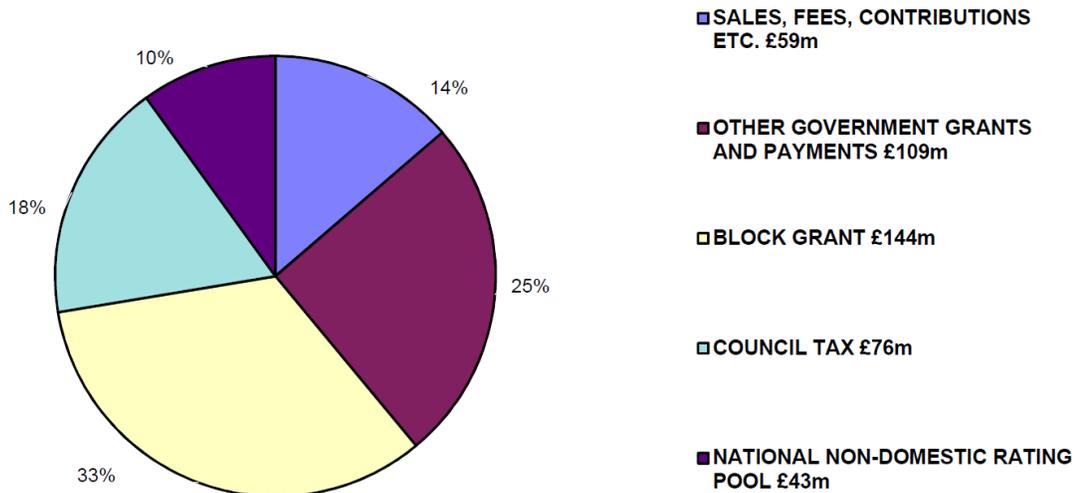
2 Purpose of the Report

To inform the Cabinet of considerations relating to fixed fees that derive from the COVID19 crisis, where consideration should be given to reduce or refund a proportion of the fees with the purpose of ensuring financial fairness, avoiding financial hardship, protecting the Council's interests and protecting future income.

3 Background

At the Full Council meeting dated 5 March 2020 a net budget of £262 million was approved for 2020/21, with the gross budget for the year being £431 million. The diagram below shows that 14% of the Council's income comes from sales, fees, contributions etc.

WHERE THE MONEY COMES FROM - £431 million



The Cabinet has already received a report on the impact of COVID19 on the 2020/21 Budget, which was submitted on 19/05/2020, noting that the anticipated range of income losses during the crisis was between £5 million and £16 million, depending on the duration of the crisis. The major income losses during the period until the end of June 2020 is seen in the Byw'n lach (£1.1 million), School Meals (£1 million), Parking (£600k), Highways Contracts (£600k) and Gwynedd Consultancy (£500k).

An income-related issue for which the Cabinet's decision is sought as a result of the crisis is considerations involving fixed fees. The Council receives a wide range of fees and payments across many of its services, and the nature of the income varies from payment every time a service is received to the use of fees for a fixed period e.g. annually, season tickets etc.

It is currently unknown how long the crisis will last and what the medium term impact will be, but it is possible that income levels are unlikely to recover for many years. However, this report only covers the 2020/21 fees position.

4 Fixed Fees

After the Finance Department engaged with all Council departments about their fees, the relevant fees that require consideration by the Council are listed in this report, with the usual procedure deemed appropriate for fees in all other fields. Fees are listed per department, with a different procedure recommended for the fees of four departments, which can be categorised as follows:

- Fees not yet invoiced
- Fees remaining on 2019/20 levels without inflation increases
- Fees paid in advance
- Maritime fees where access has been restricted
- Rents

Generally, the Cabinet's decision is required on how to proceed in relation to the fixed period fees.

5 Highways and Municipal

As the crisis struck in March immediately before the beginning of the new financial year, it means that some fees have not yet been charged for the new 2020/21 financial year, which includes fees for commercial waste.

5.1 Commercial Waste

A number of businesses have had to close during the period but commercial waste collection rounds have continued and, therefore, the service is still available. A number of businesses and bodies that have closed have been eligible to receive business grants and an exemption from business rates.

Recommendation: *A payment should be requested that corresponds to the service received, asking the Department to invoice when collections start, therefore, it is already possible to invoice a number of businesses.*

5.2 Crematorium and Cemeteries

In light of the crisis, the usual inflation increase has not been implemented to increase fee levels from the 2019/20 financial year to the new 2020/21 financial year.

Recommendation: *Under the current circumstances, it is considered appropriate not to increase these prices during the crisis, therefore, the fees will remain on 2019/20 levels.*

6 Education

Some of our fees are for services that take place over a period of time or that take place more than once, therefore, they are paid in advance before the service is received - this applies to fees in the Education Department. As schools were closed urgently on 20 March, this means that parents had paid in advance for school meals, the element of care before school and post-16 transport but have not received the service.

6.1 Primary School Meals

The current on-line system to pay for school meals enables parents to pay in advance.

Recommendation: *Under the circumstances, it is appropriate for the money to be transferred with the child especially if they transfer from primary to secondary school, otherwise, a refund could be offered.*

6.2 Pre School Care Club

As in 6.1, the current on-line system enables parents to pay in advance.

Recommendation: *Under the circumstances, it is appropriate for a refund to be offered if the children move schools or if they transfer from primary to secondary school.*

6.3 Post-16 Transport - 16+ Travel Pass

Advance payments for the summer term.

Recommendation: *The fees for the summer term to be refunded, and arrangements for 29/06/2020 - 27/07/2020 to be considered at a later date.*

7 Housing and Property

7.1 Property - Rents and office / room hire

7.2 Industrial Units - Rents

7.3 Intec and Mentec - Rents

Rents in a number of fields including hiring offices and meeting rooms, industrial units, Intec and Mentec. The Department has not yet invoiced for 2020/21. Businesses in industrial units have received business grants / business rates relief.

Recommendation: *The Department is requested to proceed to invoice for rents in full but it is possible for individual businesses to contact the Council to discuss their specific situation if they are facing hardship and we will be willing to listen and respond appropriately.*

8 Economy and Community

8.1 Rents - hiring space in Libraries, use of Parc Padarn, Glynllifon Units

The Department has not yet invoiced for 2020/21. Businesses in units have received business grants / business rates relief.

Recommendation: *The Department is requested to proceed to invoice for rents in full but it is possible for individual businesses to contact the Council to discuss their specific situation if they are facing hardship and we will be willing to listen and respond appropriately.*

8.2 Maritime - Hafan Pwllheli Mooring Fees

8.3 Maritime - Harbours and Victoria Dock Mooring Fees

In terms of maritime fees, access to mooring and pontoons has been prohibited and it is not possible to use the usual facilities as a result of the restrictions, with a number of boat owners storing their boats ashore this year. Reduced fees should be considered during the lockdown period in order to try to keep our customers. *The department has not yet invoiced.*

Recommendation: *where access to boats and harbour facilities has been restricted, fees should be reduced to the 'winter fee' which equates to 70% of the full fee in order to keep customers.*

Local member's views

Not relevant

Views of the statutory officers**The Monitoring Officer:**

The justification for the recommendations reflect the direct effect of the crisis on access to services provided to individuals and businesses. Some of the fees also have a relevant commercial and contractual context which needs to be considered. I am satisfied that what is recommended is logical and fair.

Head of Finance:

I have collaborated with the Cabinet Member in the preparation of this report and I confirm the content.
