

FEES AND CHARGES CABINET ADVISORY GROUP

Date of Decision	25 September 2019
Report Author	Head of Financial Services and Deputy Chief Financial Officer
Portfolio Holder	Cllr Robert Bayford, Leader of Council
Status	For Decision
Classification:	Unrestricted
Key Decision	No
Ward:	n/a

Executive Summary:

Fees and charges for the forthcoming year are agreed at Council in December, after being considered by Cabinet and Overview & Scrutiny, forming an important part of the budget setting process.

To enhance member involvement and the scrutiny of the setting of fees and charges, on the 13 June 2019 Cabinet approved the establishment of a Cabinet Advisory Group (CAG).

This report proposes the Terms of Reference for the CAG review of the process to set fees and charges.

Recommendation(s):

To approve the Terms of Reference of the Fees and Charges Cabinet Advisory Group.

CORPORATE IMPLICATIONS

Financial and Value for Money

Income from fees and charges is an essential component of recurrent funding of the council's services. As external funding sources diminish, this income becomes more significant. The council generates in excess of £10 million each year from fees and charges (some of which is ring fenced or restricted as to its use).

All things being equal, it is reasonable for fees and charges to increase in line with inflation. However, there are many other factors to consider, one of which is the contribution that fees and charges income makes towards the annual budget, and the extent to which it can fund the loss of external income and the investment in services.

Review and scrutiny of proposed fees and charges for 2020/21 by a CAG will assist with the delivery of a balanced budget for the forthcoming year.

Legal	<p>The Council has a statutory duty to annually set a balanced General Fund Revenue budget.</p> <p>This establishment of a fees and charges CAG and approval of the Terms of Reference does not require a change in the existing Policy and Budget Procedure Rules set out in the Constitution.</p>								
Corporate	<p>Fees and charges are an important funding source for the council as well as a cost to service users, many of whom will be council taxpayers. Many fees and charges are governed by legislation and regulation, which control pricing decisions and affect the council's policy on setting fees and charges.</p>								
Equality Act 2010 & Public Sector Equality Duty	<p>Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.</p> <p>Protected characteristics: age, sex, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.</p> <table border="1" data-bbox="432 1126 1402 1388"> <tr> <td colspan="2">Please indicate which aim is relevant to the report.</td> </tr> <tr> <td>Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,</td> <td></td> </tr> <tr> <td>Advance equality of opportunity between people who share a protected characteristic and people who do not share it</td> <td>✓</td> </tr> <tr> <td>Foster good relations between people who share a protected characteristic and people who do not share it.</td> <td></td> </tr> </table> <p>Changes to fees and charges can have a disproportionate effect on some groups of customers. This effect can be more significant in respect of charges for services that are difficult or impossible to avoid. These factors, along with a thorough approach to more general customer impact, will figure in the annual review of fees and charges. Every service manager that is responsible for proposing a change is aware of the need to complete a customer impact assessment (incorporating equalities impact).</p>	Please indicate which aim is relevant to the report.		Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,		Advance equality of opportunity between people who share a protected characteristic and people who do not share it	✓	Foster good relations between people who share a protected characteristic and people who do not share it.	
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Foster good relations between people who share a protected characteristic and people who do not share it.									

CORPORATE PRIORITIES (tick those relevant) ✓	
A clean and welcoming Environment	
Promoting inward investment and job creation	
Supporting neighbourhoods	

CORPORATE VALUES (tick those relevant) ✓	
Delivering value for money	✓
Supporting the Workforce	
Promoting open communications	✓

1.0 Introduction and Background

- 1.1 Fees and charges for the forthcoming year are agreed at Council in December, after being considered by Cabinet and Overview & Scrutiny, forming an important part of the budget setting process.
- 1.2 To enhance member involvement and the scrutiny of the setting of fees and charges, on the 13 June 2019 Cabinet approved the establishment of a Cabinet Advisory Group (CAG).
- 1.3 This report proposes the Terms of Reference for the CAG review of the process to set fees and charges.

2.0 CAG Terms of Reference

- 2.1 At the 13 June 2019 Cabinet meeting it was proposed:
- A. The CAG is chaired by the Cabinet Portfolio Holder for Finance & Estates.
- B. Cabinet finalises the terms of reference of the CAG after the CAG's first meeting, subject to the parameters below:
- i. There is an underlying assumption that overall, income yield from fees and charges should, as a minimum, rise with inflation. It would be detrimental from a financial sustainability perspective for the CAG to recommend reducing fees and charges income overall, when other sources of income outside of the control of the council are reducing and the budget needs to be balanced.
 - ii. There will be a rolling review of fees and charges, being mindful that this places an additional burden on members and staff, so the programme will be managed accordingly.
 - iii. The group of fees and charges subject to review by the CAG to inform the 2020-21 charges will be car parking charges.
- 2.2 To allow the CAG sufficient time to meet and report back to Cabinet, within the constraints of the budget setting timetable, it is recommended that the CAG Terms of Reference are approved as a Leader Decision.
- 2.3. The CAG Terms of Reference are appended at Annex 1 for review and approval.

Contact Officer:	Chris Blundell, Head of Financial Services and Deputy Chief Financial Officer
Reporting to:	Tim Willis, Deputy Chief Executive and Chief Financial Officer

Annex List

Annex 1	Fees and Charges Cabinet Advisory Group Terms of Reference
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Background Papers

Title	Details of where to access copy
None	N/A

Corporate Consultation

Finance	Chris Blundell, Head of Financial Services and Deputy Chief Financial Officer
Legal	Tim Howes, Director of Corporate Governance