

Southend-on-Sea Borough Council

Report of Director of Finance & Resources

to
Cabinet

on
18 September 2018

Report prepared by: Joe Chesterton
Director of Finance & Resources

Agenda
Item No.

Fees & Charges Policy
All Scrutiny Committees
Executive Councillor: Councillor John Lamb
A Part 1 Public Agenda Item

1 Purpose of Report

To consider the introduction of a fees and charges policy for services to allow for the setting of fees and charges.

2 Recommendation

Cabinet are asked to approve;

2.1 The proposed fees & charges policy set out in Appendix 1;

2.2 That the existing delegation in Paragraph 3.2(k) in Part 3 Schedule 3 be deleted and replaced by the following wording;

“To set fees and charges in their areas of responsibility (save for parking charges) including making in year changes subject to;

- compliance with the Council’s Fees & Charges Policy;
- compliance with all legal requirements relating to the setting of statutory and discretionary fees and charges, including undertaking any necessary public consultation and assessing the equality impacts; and
- prior consultation with the Council’s Director of Finance & Resources and the relevant Cabinet member”

and that Article 4.02(2) be amended as follows;

“To approve and adopt the Council’s Budget.

[The Budget includes the allocation of financial resources to different services and projects, proposed contingency funds, setting fees and charges (save that fees and charges, other than parking charges, can be set by Chief Officers in accordance with paragraph 3.2(k) in Part 3 Schedule 3), the Council Tax Base, setting the Council Tax and decisions relating to the control of the Council’s borrowing requirement, investments, the control of capital expenditure and the setting of virement limits]”

3 Background

- 3.1 Income from fees and charges are an integral part of the Council’s overall financial and commercial approach especially as we move into an era of financial self-sustainability and therefore support in the overall setting of the Council’s budget.
- 3.2 Clearly the scope to increase fees or charges is determined by a number of factors, of which the most important are: strategic desirability, government direction, elasticity of demand for services, and impact on service users. There is no prescribed increase in individual fees and charges, although the current medium term financial strategy assumes a cpi inflation increase in net income collected (yield) from general price increases. Some fees and charges are also predicated on discreet increases over and above the assumed cpi inflation increase in yield, restructuring existing charges or new charges.

4 Proposed Fees & Charges Policy

- 4.1 As part of the annual budget setting, fees and charges schedules are reported for approval as part of the budget process. In the vast majority of cases the fees and charges for approval are statutory, in line with the required yield increase in the Medium Term Financial Plan or minor in nature.
- 4.2 The proposal is that a Council policy (Appendix 1) is introduced to allow these fees and charges to be set annually by officers for implementation in April of each financial year within the constraints of the policy.
- 4.3 The exception to this approach will be that parking charges due to their strategic and financial importance on the Council will still be reported for approval. Any proposed charges for parking will need to have due regard for the Access, Parking and Transport Strategy, which is elsewhere on this agenda.
- 4.4 If the expected change in yield for a service or category area exceeds the budget guideline increase for fees and charges as set out in the MTFP then these charges will need to be considered as additional income items (savings) as part of the annual budget setting.

5 Other Options

- 5.1 No other options were considered. This report merely brings together the proposed policy for fees and charges, be they statutory or discretionary.

6 Reasons for Recommendations

- 6.1 Part of the process of maintaining a balanced budget includes a requirement to consider the contribution that fees and charges make towards that aim. The adoption of a fees and charges policy will assist in that requirement.

7 Corporate Implications

7.1 Contribution to Council's Vision & Critical Priorities

The budget strategy is an integral part of the Council's Corporate Service and Resources Planning Framework.

7.2 Financial Implications

As set out in the body of the report. In addition the additional income yield to be generated from fees and charges has been factored into the Council's five year Medium Term Financial Plan

7.3 Legal Implications

None at this stage

7.4 People Implications

None at this stage

7.5 Property Implications

None at this stage

7.6 Consultation

None at this stage

7.7 Equalities Impact Assessment

None at this stage

7.8 Risk Assessment

The key risks are:

Elasticity of demand for some services may mean that increases in fees & charges lead to a fall in income collected.

Some residents/service users may not be able to afford increases, so that the impact may fall disproportionately on those on low incomes.

7.9 Value for Money

In order to deliver value for money it is essential that the Council gets the right balance between charging for services and funding services from Council Tax.

7.10 Community Safety Implications

None at this stage

7.11 Environmental Impact

None at this stage

8 Background Papers

None

9 Appendices

Appendix 1 – Southend-on-Sea Borough Council - Fees and Charges Policy