

Item No.	Classification Open	Date: 16 March 2012	Decision Taker: Cabinet Member for Children's Services
Report title:		Children's Services – Fees and Charges 2012/13	
Ward(s) or groups affected:		All	
From:		Strategic Director of Children's Services	

RECOMMENDATION

1. That the Cabinet Member agrees the proposed non-statutory fees and charges for 2012/13.

BACKGROUND INFORMATION

2. This report sets out proposals for the fees and charges to be set for Children's Services for 2012/13.
3. The Medium Term Resource Strategy (MTRS) 2010/11 to 2012/13 and the corporate income policy require that:
 - Fees and Charge are increased to a level, at a minimum, that is equal to the most appropriate London average (e.g. inner London, family, groupings etc) except where this conflicts with council policy, would lead to adverse revenue implications or would impact adversely on vulnerable clients.
 - Income generation is maximised by seeking income streams in line with council policies and priorities.
 - All fees and charges capped by statute are increased to the maximum level the cap allows.
4. Only where it can be demonstrated that adverse financial implications might arise or where increases are not considered realistic due to demand and local circumstances, can fees or charges increases be set at a lower level than that set by the MTRS.
5. The Council's constitution requires that all fees and charges increases are agreed by the relevant Cabinet Member through an Individual Decision Maker (IDM) report. An IDM report is also required where no increase or a reduction in fees and charges is proposed.

KEY ISSUES FOR CONSIDERATION

6. Fees and charges are those charges where there is a schedule of rates for services provided. There are various types, namely mandatory and discretionary i.e. where the Authority must charge or where there is a choice of charging or not. Whether mandatory or discretionary, the charges will be either:
 - Fixed – where the level of charges is set by statute and the Authority has no discretion.
 - Capped – where a maximum level is set, generally by statute and so charges cannot be set above this level, or

- Flexible – where there is full discretion on the level of charges to be set
7. Where the Authority has a choice about charging, any decision not to charge must be agreed by the relevant Cabinet Member. This will be reviewed annually and will be considered within the context of the overall budget position.
 8. This report only seeks approval for fees and charges for which there is discretion. No Children's Services charges are fixed or capped.
 9. In arriving at the proposed fees and charge levels, consideration has been given to a number of factors, including; volume assumptions, benchmarking data, market forces and sensitivity i.e. the impact that increases will have on its customers' ability to pay and the take-up of services. Another factor taken into account is that, whilst Southwark may have discretion over the level of fees set, in many cases, this is on a cost recovery basis or must have due regard to the cost of service and be reasonable. The cost of service provision has therefore, also been a consideration in arriving at the proposed fees.
 10. A full list of non-statutory fees and charges to be approved are shown in Appendix A.
 11. It was proposed that for 2011/12 the majority of fees and charges within Children's Services would be increased to at least the inner London average, and where that was not possible due to unreasonable increases in charges in 1 year, the increases be phased over 2 years. However, due to the ongoing service restructures in Children's Services this has not been possible, and some fees remain below the inner London average.

Early Years Centres – No change to fees

12. For 2009/10 it was agreed that the fees structure for the Early Years Service should be altered to introduce an element of means testing so that those more able to afford the full cost fees are charged accordingly. Two 'bands' were agreed charging varying amounts dependent on whether parental earnings were above or below the threshold for Working Family Tax credits.
13. In the current economic climate, it is felt that centres are sensitive to price adjustment, so it is recommended that the fees are not increased in 2012/13. It has not been possible to collect benchmarking data due to the closure of Family Information Services in neighbouring boroughs.

Youth Centres – No change to fees

14. Fees and charges within the Youth service consist of entrance fees and subscriptions at Youth Centres, plus gym hire. The Youth Service delivers to a Council priority group of users. There is a high sensitivity to prices amongst young people in Southwark.
15. For this reason, admission fees at Youth Clubs were not increased in 2011/12.
16. There is an ongoing Youth Service review, and the new Youth Service model has yet to be defined. In the meantime it is recommended that the admission fees at the Youth Centres are not increased.

Damilola Taylor Centre - Increase fees in line with inflation

17. Charges for services available in the Damilola Taylor Centre have remained static for 2 years. In line with the MTRS, It is proposed that they are increased by the rate of inflation and rounded where necessary. It is not felt that these increases will significantly affect the demand for the services.

After School Clubs - No longer council-run; schools set their own fees

18. A programme of transferring the after school clubs to the management of the schools is now underway. There are currently 16 After School Clubs which have yet to be transferred to the schools. These will be transferred by the start of the Summer Term in April.

Holiday Club Service - Increase to bring into line with London fee levels

19. Fees for the Easter & Summer holiday play scheme have been increased to bring closer to but still below the other local authority averages.

Play Service - Increased in line with inflation

20. Fees and charges are made for the following services:
- Hire of the Mobile Play Unit
 - Use of the Kart Track at Burgess Park
 - Membership and loan charges at Toy Libraries
 - Hire of facilities (super inflatables, badge making equipment, music equipment)
 - Hire of specialist workers.
21. The increases proposed for the services provided by Play better reflect the commensurate commercial rates charged.
22. The charge for provision of badge machines and cutter has increased by 22% as a result of an increase in material costs.
23. The cost for hiring super inflatables (bouncy castles) has decreased as the session offered has reduced from 4 to 3 hours.
24. The fee for hiring specialist workers (play-workers, face painters, sports coaches and musicians) has increased in line with inflation.
25. Fees for using Burgess Park Kart track have been increased to now include VAT, and then uplifted for inflation.

	2011/12 Fee (inc VAT) (£)	Proposed 2012/13 Fee (inc VAT) (£)
Park Kart Track (Inner)	108	115
Park Kart Track (Outer)	150	155

Resource implications

26. The proposed increases in charges set out in this report for the Play Service should generate increases in income of £7,000 in 2012/13.

- 27 The increase in fees and charges for services related to the Damilola Taylor Centre should result in an increase in income of £1,000 in 2012/13.

Concurrent report from the Finance Director

- 28 The proposals set out in this report have been drawn up in accordance with the Medium Term Resource Strategy agreed by Cabinet. The financial implications are as set out in the report.

Community impact statement

- 29 The changes outlined in this report will affect those users currently paying for services (principally parents and carers), and the users of the service (young people within Southwark). The possibility that usage of services could decline as a result of any proposed increases has been considered by managers when setting the level of fees and charges.
- 30 Users of the Early Years Centres are able to access the Working Families Tax Credit to offset the financial impact of the charges made by the Council in these areas. Officers continue to work proactively with parents to ensure maximum take-up of this entitlement

Consultation / Notification of fee increases

- 31 Notice of 1 month is generally given in respect of proposed increases in Children's Services department fees and charges.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Communities, Law & Governance

- 32 The Cabinet Member for Children's Services is asked to approve the 2012/13 non-statutory fees and charges as outlined in this report. The recommendations will take effect on 1 April 2012 if approved.
- 33 The approval of the fees and charges sought in this report is a matter reserved to the Cabinet Member for individual decision making in accordance with Part 3D paragraph 3 of the Council's constitution.
- 34 The proposed increases are intended to be consistent with the Medium term resources strategy and will apply to the existing non-statutory fees and charges subject to those charges not exceeding the costs of the provision.
- 35 The approval sought under this report is a matter reserved to the Cabinet Member for individual decision making under paragraph 3, Part 3D of the Constitution and is therefore within the remit of the Cabinet Member for Children's Services.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Budget Documents	160 Tooley Street London SE1 5LX	Nicholas Ajaegbu 020 7525 2684

APPENDICES

No.	Title
Appendix A	Children's Services - Proposed Charges 2012/13

AUDIT TRAIL

Lead Officer	Romi Bowen, Director of Children's Services	
Report Author	Nicholas Ajaegbu, Children's Services Departmental Finance Manager	
Version	Final	
Dated	16 March 2012	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		16 March 2012