

Item No.	Classification Open	Date: 13 February 2015	Meeting Name: Cabinet Member for Adult Care, Arts and Culture
Report title:		Fees and Charges for Libraries, Arts and Heritage Services for 2015/16	
Ward(s) or groups affected:		All	
From:		Strategic Director of Environment & Leisure	

RECOMMENDATION

1. That the Cabinet Member for Adult Care, Arts and Culture agrees the proposed non-statutory fees and charges for 2015/16 with effect from 1 April 2015.

BACKGROUND INFORMATION

2. This report sets out proposals for the fees and charges to be set for Libraries and also for Kingswood House for 2015/16.
3. The medium term resources strategy (MTRS) and the corporate income policy require that:
 - Fees and charges 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 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:
 - a. Fixed – where the level of charges is set by statute and the authority has no discretion.

- b. Capped – where a maximum level is set, generally by statute and so charges cannot be set above this level, or
 - c. 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. 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 the council 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.

Proposed Fees and Charges for 2015/16 for Libraries

9. The Council has made a concerted effort where possible to keep most of the fees and charges unchanged for Southwark Libraries. Please refer to Appendix 1 for details. Key items to note are as follows:

CDs

10. The current charge is £0.40 for a one week loan. It is recommended that the £0.40 rental charge is left unchanged for 2015/16.
11. There is a national trend of rapid decline in CD sales and rentals and this is reflected in this year's figures for Southwark. For the first 11 months of 2014 CD rentals were down 27% compared to the same period in 2013.

Blu Ray Discs

12. The current charge is £3.50 for a one week loan on all titles. It is recommended to maintain the £3.50 charge from 1 April 2015 for a one week loan on all new titles and to retain the lower charge for older titles at £1.50 for a one week loan.
13. The introduction of premium and standard charges for blue ray initially helped to boost issues. However this trend has been reversed and has been reflected in this year's figures for Southwark. For the first 11 months of 2014 Blu Ray rentals were down 52 % compared to the same period in 2013.

PS3 games and Wii games

14. The current charge is £3.50 for a one week loan on premium titles and £1.50 for older titles. It is recommended that a lower charge of £1.50 is introduced for all titles from 1 April 2015.
15. This reflects the fact that new games software is no longer being bought for libraries and that the collections now consist of older titles that can be hired out at the lower price of £1.50. Collections currently consist of PS3 and Wii games. Some new titles are being released on this format as they have been superseded by Playstation 4 and Wii U respectively. Most new PS4, Wii U (and Xbox One) titles now have a "one-time use" online identification element that

makes them unsuitable for repeat use in a rental model. This problem allied with a) the high cost of "next generation" games and b) the low take-up of existing games makes the continuing purchase of new games for libraries unviable.

DVDs

16. The current charge is £2.50 for a one week loan on new titles; £1.00 for a one week loan on older titles. It is recommended that these charges are kept the same.
17. The national picture of declining sales and declining physical loans for DVDs continues to be reflected in this year's figures for Southwark. For the first ten months of 2014 DVD rentals were down 21.75% compared to the same period in 2013.

Replacement ticket

18. The current charge is £2.00 for adult and £2.00 for a child. It is recommended that the charge for a replacement ticket for a child is dropped. This reflects the manifesto commitment of ensuring all secondary schoolchildren are issued with a free library card.

Benchmarking of Fees

19. Since 2007/08, fees and charges have been benchmarked using the publication issued by Loughborough University – SINTO: Fees and Charges in Public Libraries in England and Wales. Appendices 4 and 5 set out the results of the benchmarking exercise for 2014/15. Southwark library service is a member of SELPIG (the South East London performance improvement group), and therefore it is appropriate that our fees are benchmarked against the boroughs in this group which are Lambeth, Lewisham, Greenwich, Croydon, Bexley and Bromley. This exercise shows that Southwark's proposed fees compared favourably to these boroughs.

Main fee recommendations for the Local History Library

20. After a comprehensive review and radical overhaul of the Local History Library and Archive's (LHLA's) fees and charges structure in 2011/12, the focus now is on streamlining and optimising these. The proposed fees and charges reflect the going sector rate and benchmarking has been done to ascertain the most appropriate match with the archive sector. The fees for the Local History Library and Archives are comparable to other south east London boroughs.

Proposed room and conference fees for Kingswood House

21. The main income stream at Kingswood House is from hire of rooms for conferences and events. It is proposed to keep all of the Kingswood House fees the same as the previous year because of the adverse economic conditions still prevalent (detailed in Appendix 3).
22. Given the unique nature of Kingswood House, it is difficult to compare fees with neighbouring authorities and other organisations, but the fees are considered comparable with other premises offering function rooms for hire.

Resource implications

23. Table 1 shows the budgets for 2014/15 and the anticipated income levels for 2015/16 arising from the proposed fees. A full list of non-statutory fees & charges to be approved are shown in Appendices 1, 2 and 3. Due to the adverse economic conditions, it is proposed that the overall approach is to keep the fees and charges unchanged as far as possible.

Table 1 Projected income figures

Business Unit	2014/15 £	2015/16 £
Libraries	436,000	436,000
Kingswood House	70,000	90,000

24. The fees and charges for libraries are expected to be on budget for 2014/15, with a total income of £436k. This report proposes no changes to fee levels in 2015/16 with the exception of reductions to software charges and dropping charges for replacement cards for children.
25. The hiring of Kingswood House is expected to generate total income of £70k in 2014/15 – an increase of £20k on the previous year due to plans for improved marketing and promotion of the House. This report proposes no change in the level of fees for 2015/16.
26. Any benefits or repercussions for demand for services arising from the proposed increases in fees and charges will be reflected in revenue monitoring reports and future budget proposals. Any variances will be contained within existing budget for 2015/16 financial year.

Staffing implications

27. None.

Community Impact Statement

28. Officers have been mindful of the need to satisfy the Public Sector Equality Duty imposed by the Equality Act 2010. This requires the council to have due regard to take steps to meet the needs of those persons having a protected characteristic under the Act, and to ensure that such persons are able to access services.
29. One of the key considerations in identifying the proposed fees and charges was price sensitivity and the impact that price increases may have upon customers ability to pay as well as upon the take up of library services. The recommendation to keep most of the fees and charges unchanged will benefit all sections of the community and therefore there will be no adverse equalities impact.

Consultation / Notification of fee increases

30. Consultation is not required on the above fees and charges. However, formal notification of price increases is required. Once approved, notification of fee increases will be published through the appropriate channels.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

31. The Cabinet Member for Adult Care, Arts and Culture is recommended to approve the non-statutory fees and charges as outlined in this report. The recommendations will take effect on 1 April 2015 if approved.
32. Section 93(1) of The Local Government Act 2003 enables the Council to charge for providing discretionary services. The power in the Act is subject to the requirement that the authority is not expressly prevented from charging for the services by virtue of any other legislation. The Director of Legal Services is not aware of any specific legislative provision which would prevent the Council relying on these powers to charge.
33. The power to charge for a service under the Act is also subject to the duty to make sure that the income from charges made from a service does not exceed the cost of the provision of the service.
34. The Council is, therefore allowed to set the level of the charge for each discretionary service that it thinks fit, subject to those charges not exceeding the costs of the provision.
35. 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.
36. 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.
37. The report confirms that there is no legal duty to undertake consultation on the proposed fees and charges but that appropriate notification will be given. Officers should ensure that all forms of notification explain how and to whom any complaints or queries should be made. In making such a decision, the council must ensure that it complies with the Public Sector Equality Duty imposed by the Equality Act 2010, which includes a requirement to undertake an equality analysis in order to demonstrate that it has had "due regard" to the implications of its decision and how that might affect different groups of people within the community. Whilst formal consultation is not required, paragraphs 28 and 29 set out the factors which have been taken into account in order to satisfy that statutory duty and to recommend that the level of fees and charges should remain at current rates.

Strategic Director of Finance & Corporate Services E&L/007

38. This report recommends that the cabinet member for Adult Care, Arts and Culture agrees the proposed non-statutory fees and charges for 2015/16, with an implementation date of 1 April 2015.
39. The strategic director of finance and corporate services notes the level of fees and charges proposed for 2015/16 and the resource implications within the report. These charges will be included in the draft budget being presented to council assembly on 25 February 2015 and will be monitored throughout the

year. In the event that expenditure or income levels change, the service will need to contain costs within budget or identify alternative sources of funding,

40. Officer time to effect the recommendation will be contained within existing budgeted revenue resources.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Fines and charges in public libraries in England and Wales, 27th edition	CLLL Finance 3rd Floor Hub 2 160 Tooley St PO Box 64529 London SE1 5LX	Catherine Roberts CLLL divisional accountant 020 7525 3359

APPENDICES

No.	Title
Appendix 1	Detail of proposed library service fees and charges 2015/16
Appendix 2	Detail of proposed local history library service fees 2015/16
Appendix 3	Detail of proposed Kingswood House fees and charges 2015/16
Appendix 4	Detail of benchmarking information for Libraries fees based on 2014/15 fees and charges
Appendix 5	Detail of benchmarking fees for the Local History Library based on 2014 /15 fees

AUDIT TRAIL

Lead Officer	Deborah Collins, Strategic Director Environment & Leisure	
Report Author	Adrian Whittle, Head of Culture, Libraries, Learning and Leisure	
Version	Final	
Dated	6 January 2015	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Resources	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	22 January 2014	