

Item No.	Classification: Open	18 February 2015	Decision Taker: Cabinet Member for Adult Care, Arts and Culture
Report title:		Events Service – fees and charges 2015/16	
Ward(s) or groups affected:		All	
From:		Chief Executive	

RECOMMENDATION

1. That the cabinet member gives approval for the proposed non-statutory fees and charges for 2015/16, with an implementation date of 1 April 2015.

BACKGROUND INFORMATION

2. This report sets out proposals for the fees and charges to be set for the Events Service for 2015/16.
3. The Medium Term Resources Strategy (MTRS) and the corporate income policy requires the council:
 - To maximise its income generation by seeking income streams in line with Council policies and priorities.
 - To increase discretionary fees and charges 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.
 - To increase all fees and charges capped by statute 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 charges levels for the service, 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 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.
 9. Table 1 (see paragraph 12) details the total income expected to be generated from non-statutory fees and charges. The full list of non-statutory fees and charges to be approved is shown in Appendix 1.
 10. It is proposed to increase fees and charges by varying percentages. The reasons for the percentages used are explained in paragraph 11 of this report.

Events

11. Events are unique in each borough and comparing charges with those in neighbouring authorities is not useful. There are over 180 events per annum and many events are grant funded or are community events, supported by Southwark Council, and therefore subsidised. It is proposed to increase all 2014/15 charges bar one by about 2% to 6% in 2015/16. The exception is the basic admin fee, which has not been increased since 2010/11 and which it is proposed to increase by £5 (9%) in 2015/16. Details can be found in Appendix 1 of this report. Currently there is a discretionary discount of 50% to 100% for community events..

Resource implications

12. Table 1 shows the budget for 2014/15 and the anticipated income level for 2015/16 arising from the proposed fees and charges increases.

a. Table 1 – Events Service: budget and actual income figures

Business Unit / Income Stream	2014/15 Budget £	2014/15 Income to end of November £	2015/16 Anticipated Income £	Increase in income %
Events hires	35,000	42,000	43,250	3.0%

13. It is proposed to increase fees by about 3% on average for Events in order to keep pace with the inflationary uplift applied to income targets.
14. There are no staffing implications to be considered.

Community impact statement

15. One of the key considerations in arriving at the proposed levels was price sensitivity i.e. the impact that increases will have on customers' ability to pay and the take-up of services. However, this flexibility is limited only to where Southwark has discretion over the level of fees set. In addition, concessions and discounts are made available for community groups for certain events. This needs to be balanced with the Council's MTRS as outlined in paragraph 3 and the requirement to increase fees and charges year on year.
16. Equality analysis demonstrates that the policy shows no potential for discrimination and we have taken all appropriate opportunities to advance equality of opportunity and foster good relations between people with different protected characteristics.
17. Furthermore, the equality analysis demonstrates that by retaining a flexible approach to fees and charges the service has the ability to support organisations and individuals as necessary

Consultation

18. Formal consultation is not required on the above fees and charges. However with over 180 events in 2014/15 there is regular consultation with local organisations, stakeholders, businesses and members on a range of event subjects. Once approved, notification of fee increases will be published through the appropriate channels.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

19. The Cabinet Member for Adult Care, Arts and Culture is requested to approve the 2015/16 non-statutory fees and charges for the events service as outlined in this report. The recommendations will take effect on 1 April 2015 if approved.
20. 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.

21. The proposed increases are intended to be consistent with corporate policy, in particular the Medium Term Resources Strategy and will apply to the existing non-statutory fees and charges.
22. 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 Council is not 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 from relying on these powers to charge.
23. The power to charge for a service under the Act is also subject to the duty to make sure that, taking one financial year with another, the income from charges made from a service does not exceed the cost of the provision of the service.
24. The council is, therefore allowed to set the level of the charge for each discretionary service that it thinks fit and considers reasonable, subject to those charges not exceeding the costs of the provision.
25. The report confirms that there are no prescribed legal requirements for consultation on the proposed fees and charges although any proposed increases will need to be publicised and notified. Officers should ensure that all forms of notification explain how and to whom any complaints or queries should be made.

Strategic Director of Finance and Corporate Services (CED/MD/14/49)

26. This report seeks approval for the Events Service to charge the proposed fees and charges in 2015/16. It is only concerned with fees and charges where the Council has discretion about the level to be charged.
27. The current Medium Term Resources Strategy (MTRS) states that discretionary fees and charges are to be increased to a level that is equal to the most appropriate London average, except where this conflicts with Council policy or would lead to adverse revenue implications.
28. As outlined in the report, the Events Service is proposing a range of fees and charges to bring them in line with other Inner London boroughs. It is expected that the new fees and charges will result in an increase in income to the council of around 3%. Given that the proposals seek to maximise income generation, they can therefore be considered in line with the MTRS.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Equality analysis	160 Tooley Street	Paul Cowell

APPENDICES

No.	Title
Appendix 1	Detail of proposed Events fees 2015/16

AUDIT TRAIL

Lead Officer	Eleanor Kelly, Chief Executive	
Report Author	Paul Cowell, Events and Film Manager	
Version	Final	
Dated	17 February 2015	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	18 February 2015	