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| Item No. | Classification Open | Date: January 2016 | Meeting Name: Deputy Leader and Cabinet Member for Business, Employment and Culture |
| Report title: | | Libraries and Heritage Service 2016/17 Fees and Charges | |
| Ward(s) or groups affected: | | All | |
| From: | | Strategic Director of Environment and Leisure | |

RECOMMENDATION

1. That the Deputy Leader and Cabinet Member for Business, Employment and Culture agrees the proposed non-statutory fees and charges for 2016/17 with effect from 1 April 2016.

BACKGROUND INFORMATION

2. This report sets out proposals for the fees and charges to be set for Libraries and Heritage Service for 2016/17.
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, where it would lead to adverse revenue implications or where it 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 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 details the total income expected to be generated from non-statutory fees and charges during 2016/17. A full list of non-statutory fees & charges to be approved are shown in Appendices 1, 2 and 3. It is proposed that because of the adverse economic conditions that the overall approach is to keep the fees and charges unchanged as far as possible.

Table 1 Projected income figures

| Business Unit | 201516 | 201617 |
|-------------------------------|---------------|---------------|
| | £ | £ |
| Libraries | 436,000 | 436,000 |
| Heritage - Kingswood House | 70,000 | 90,000 |

Proposed Fees and Charges for 2016/17 for Libraries

10. With only one exception, it is proposed to maintain fees and charges at the same level as for 2015/16. This is because income from DVDs and CDs is already in decline due to the availability of free downloads from the internet and providers such as Netflix. Any increase in charges is likely to further reduce uptake of this area of service and in turn will reduce income. This is a national issue for libraries. Fines for overdue items are the second highest in our comparator group at 25p per item per day and any further increase is likely to act as a deterrent to returning items rather than generating additional income. Please refer to Appendix 1 for details. The only exception to the proposal for maintaining fees and charges at the current rate is set out below. All other fees and charges are proposed to be left at 2015/16 rate.

Blu Ray Discs

11. The current charge is £3.50 for a one week loan on all titles. This format has not

been as successful as had been hoped. Therefore, in order to encourage additional use, it is recommended to reduce the weekly hire charge to £2.50 from 1 April 2016 for a one week loan on all new titles. It is proposed to retain the lower charge for older titles at £1.50 for a one week loan. Hire charges and fines to apply to all categories of borrower.

Camberwell Library

12. The new Camberwell library has rooms for hire which will be charged using the same rates as other libraries.

Benchmarking of Fees

13. Since 2007/08, fees and charges have been benchmarked using the publication by Loughborough University – SINTO: Fees and Charges in Public Libraries in England and Wales. Appendixes 4 and 5 sets out the results of the benchmarking exercise for 2015/16. Southwark libraries is a member of SELPIG (the South east London performance improvement group), and therefore it is appropriate that our fees are benchmarked against these boroughs, which are Lambeth, Lewisham, Greenwich, Croydon, Bexley and Bromley. This exercise shows that Southwark's proposed fees are broadly in line with this comparator group.

Main fee recommendations for the Local History Library

14. An analysis of the going sector rate and benchmarking has been done to ascertain the most appropriate match with the archives sector. The fees for the Local History Library and Archives shown in Appendix 2 are comparable to other southeast London boroughs and therefore it is proposed the charges are held at current levels with the exception of charges for scanning documents where a revised pricing structure is being proposed of £10 per image for high resolution copies of images with appropriate scans and a charge £20 per image for those being scanned for the first time. The summary of proposed charges is detailed in Appendix 2 of this report.

Proposed room and conference fees for Kingswood House

15. The main income stream at Kingswood House is from hire of rooms for conferences and events such as wedding receptions. It is proposed to increase the Kingswood House fees shown in Appendix 3 from 3.7% to 16.7% to contribute towards the overall cost of supporting the running costs of the house. The hire of these spaces particularly those which continue beyond the advertised opening hours do incur additional costs for security and cleaning which are not covered by the current fees charged. 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

17. The fees and charges for libraries are expected to be on budget for 2015/16, with a total income of £436k. This report proposes changes to fee levels in 2016/17 as detailed in Appendix 1.
18. The fees for hire of Kingswood House are expected to generate income of £70k in 2015/16. This report proposes changes to these fees in 2016/17 as detailed in Appendix 3.

Staffing implications

19. None.

Community Impact Statement

20. 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.
21. 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 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

22. 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 Law and Democracy (SB0116)

23. This report seeks approval of the non-statutory fees and charges as outlined in this report. The recommendation will take effect on 1 April 2016 if approved. The report advises that the proposed increases are intended to be consistent with corporate policy, including the Medium Term Resources Strategy.
24. 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 Law and Democracy is not aware of any specific legislative provision which would prevent the Council from relying on these powers to charge.

25. 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.
26. 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.
27. The decision to approve 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 constitution.
28. 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.

Strategic Director of Finance & Governance (FH0116)

29. This report recommends that the Deputy Leader and Cabinet Member for Business, Employment and Culture agrees the proposed non-statutory fees and charges for Libraries and Heritage Service for 2016/17, with an implementation date of 1 April 2016 .
30. The strategic director of finance and governance notes the resource implications contained within the report and the comparison of proposed council fees with the appropriate inner London average fees.
31. 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,th edition | CLLL Finance 3rd Floor Hub 2 160 Tooley St PO Box 64529 London SE1 5LX | Jamshed Manzoor Divisional Accountant 0207 525 2111 |

APPENDICES

| No. | Title |
|-----|---|
| 1 | Detail of proposed library service fees and charges 2016/17 |
| 2 | Detail of proposed local history library service fees 2016/17 |
| 3 | Detail of proposed Kingswood House fees and charges 2016/17 |
| 4 | Detail of benchmarking information for Libraries fees based on 2015/16 fees and charges |
| 5 | Detail of benchmarking fees for the Local History Library based on 2015 /16 fees |

AUDIT TRAIL

| | | |
|---|--|--------------------------|
| Lead Officer | Deborah Collins Strategic Director Environment & Leisure | |
| Report Author | Ahsoke Chaudhury, Acting Head of Libraries and Heritage | |
| Version | Final | |
| Dated | January 2016 | |
| Key Decision? | Yes | |
| CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER | | |
| Officer Title | Comments Sought | Comments included |
| Director of Law and Democracy | Yes | Yes |
| Strategic Director of Finance and Governance | Yes | Yes |
| Cabinet Member | Yes | Yes |
| Date final report sent to Constitutional Team | | 18 January 2016 |