

Item No.	Classification Open	Date: 18 January 2016	Decision Maker: Cabinet Member for Public Health, Parks & Leisure
Report title:		Leisure Fees and Charges 2016/17	
Ward(s) or groups affected:		All	
From:		Strategic Director of Environment & Leisure	

RECOMMENDATION

1. That the Cabinet Member agrees the proposed non-statutory fees (as shown in appendix 1 of this report) for 2016/17, with an implementation date of 1 April 2016.

BACKGROUND INFORMATION

2. This report sets out proposals for the Leisure Fees and Charges 2016/17.
3. The Medium Term Resources Strategy (MTRS) 2015/16 – 2017/18 and the corporate income policy require that:
 1. 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 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 where fees have to be set at a level only relating to the costs incurred by the Council in delivering the relevant service, 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 is to be reviewed annually and considered within the context of the overall budget position.
 8. This report only seeks approval for fees and charges for which there is discretion or where fees are capped, although, all fees and charges are included in the Appendices for information.
 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. Most fees and charges are to be increased in accordance with the MTRS to the inner London Average and where this does not apply a specific business reason is set out in the attached schedules.
 11. Table 1 below details the total income expected to be generated from non-statutory fees and charges. A full list of non-statutory fees and charges to be approved are shown in Appendix 1.

Sports Pitches

12. In line with the Council's health and wellbeing objective to encourage increased participation in sports and physical activity, the proposed fees and charges are already in line with the inner London average and as such it is proposed not to increase them from 2015/16 levels.
13. The charging structure for fitness licenses (licenses granted to those that charge participants to take part in fitness activities) has been realigned taking into account:
 - Benchmarking data received from other inner London boroughs
 - Current usage in terms of increased numbers participating and increased numbers of sessions
 - Feedback requesting a monthly charge be provided.
14. The fee structure has been amended to widen the availability of class sizes and also the term of the license periods available to encourage increased participation.

BMX Track

15. In line with the Council's health and wellbeing objective to encourage increased participation in sports and physical activity, the proposed fees and charges are already in line with the inner London average and as such it is proposed not to increase them from 2015/16 levels. In order to encourage greater participation

during off peak periods the charging structure has been realigned to include an off-peak charge during specified periods (low use periods) as shown in the fees and charges structure.

Resource implications

16. Table 1 shows the budgets for 2015/16 and the anticipated income levels for 2016/17 arising from the proposed fees. Budget assumptions are covered in the comments accompanying the financial table and the above paragraphs.

Table 1 – Parks & Leisure Services Discretionary Fees and Charges

Division/ Income Stream	2015/16 Income Budget	Expected Increase in income arising from increased fees	2016/17 Estimated Income Budget
	£	£	£
Parks Services			
- Sports Pitches	235,303	0	235,303
- BMX Track	33,000	0	33,000
Total	268,303	0	268,303

Budget assumptions and implications

17. 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 2016/17 financial year.

Staffing implications

18. There are no staffing issues associated with this report.

Community Impact Statement

19. Given the current economic climate and general cost of living increases experienced by Southwark residents and businesses, where possible, fees have been frozen. Changes are proposed only where the Council are not covering its actual costs or where anomalies exist within its current pricing structure. Where possible discounts have been applied for the vulnerable users e.g. Parking permit charges for people with disabilities.

Consultation / Notification of fee increases

20. Consultation is not required on the above fees and charges. However, once approved, notification of fee increases will be published through the appropriate channels and key stakeholders.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy (SB0116)

21. The Cabinet Member for Public Health, Parks and Leisure is requested to approve the 2016/17 non-statutory fees and charges as outlined in this report. The recommendations will take effect on 1 April 2016 if approved.
22. 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.
23. 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. The Community Impact Statement contained within paragraph 19 notes that the proposed fees and charges have been recommended following consideration by officers of their likely impact and effect on individuals and groups within the community (in particular, those having a protected characteristic) with reference to the Public Sector Equality Duty imposed by section 149 of the Equality Act 2010.
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 Council is not 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, 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.
26. 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.
27. 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 Governance (FH0116)

28. This report recommends that the Cabinet Member for Public Health, Parks & Leisure agrees the proposed non-statutory fees and charges for 2016/17, with an implementation date of 1 April 2016.
29. 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.
30. Officer time to effect the recommendation will be contained within existing budgeted revenue resources.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Leisure Fees & Charges 2015-16 working papers and relevant emails	E & L offices, 160 Tooley Street, SE1	Jamshed Manzoor, Divisional Accountant 0207 525 2111

APPENDICES

No.	Title
Appendix 1	Parks sports pitches and BMX Track – non-statutory fees and charges

AUDIT TRAIL

Lead Officer	Deborah Collins, Strategic Director, Environment & Leisure	
Report Author	Rebecca Towers, Head of Parks and Leisure, E&L	
Version	Final	
Dated	18 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/Community Council/Scrutiny Team	18 January 2016	