

Item No.	Classification: Open	Date: 14 January 2016	Meeting Name: Deputy Leader and Cabinet Member for Business, Employment and Culture
Report title:		Fees and Charges for Film and Events and New Fees and Charges for Arts 2016/17	
Ward(s) or groups affected:		All	
From:		Deborah Collins, Strategic Director Environment & Leisure	

RECOMMENDATION

1. That the deputy leader and cabinet member for business, employment and culture gives approval for the proposed non-statutory fees and charges for 2016/17, with an implementation date of 1 April 2016.

BACKGROUND INFORMATION

2. This report sets out proposals for the fees and charges to be set for the events, arts and film service for 2016/17.
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 (under "resource implication" heading) 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, 2 and 3.
 10. It is proposed to increase fees and charges by varying percentages. The reasons for the percentages used are explained in below mentioned paragraphs of this report.

Events (Appendix 1)

11. Events are unique in each borough and a direct comparison of charges with neighbouring authorities is not always possible. There are over 180 events per annum and over 80% of events are grant funded or are community events, supported by Southwark Council, and therefore subsidised. These fees and charges (Appendix 1) continue to support the community and voluntary sector with no increases, continuing to offer a discretionary discount of 50% to 100% for community events.
12. These fees and charges were benchmarked against LB Lambeth, Haringey, Hackney, Islington, Camden, Ealing and Waltham Forest (Appendix 4). Some of our charges were found to be over the average but not the highest.
13. Over the past three years there has been a decrease in the amount of local businesses and not for profit organisations attending council delivered festival and events. One element that dissuades organisations from attending is cost of stalls and pitches. This type of activity is important to these festivals and to increase involvement it is proposed to decrease these charges by between 13% to 50%. It is expected that the increased take up will balance out income by reducing the fees.
14. Many large events take up significant amounts of officer time including site visits, multi agency coordination and meetings and monitoring of the actual event. To ensure that resources are sustainable we have also introduced an additional 'officer fee' for large commercial events.

Film (Appendix 2)

15. Southwark is an important location for the film industry. The borough currently attracts over 900 filming days per annum and is in the top five most filmed boroughs in London.
16. A major review of fees & charges was carried out for the 20115/16 and no significant increases are proposed for 2016/17 as shown in Appendix 2.
17. The administration fee for parking has not been increased as this is set by the Parking Team.
18. The permission for temporary structures fee has not been increased as it was increased significantly in the previous year to bring it into line with the appropriate London average.
19. No increases are being recommended to filming fees so that Southwark remains competitive as a film location. The Film Service has consulted the film contractor FilmFixer for determining proposed fees for 2016/17. FilmFixer, works closely with Film London, and is also the film contractor for LB Lewisham, Camden, Lambeth and Islington among others. FilmFixer is therefore extremely well placed to advise on the setting of competitive fees for filming in Southwark.
20. Benchmarking with LB's Camden, Lambeth and Islington has taken place to ensure our fees and charges remain competitive, allowing us to maximise revenue.

Arts (Appendix 3)

21. The arts service manages the council's extensive portfolio of public art and provides advice and guidance to internal services as well as external organisations for new commissions.
22. The arts team is frequently asked to project manage public art commissions through teams such as transport and Cleaner Greener Safer. Approaches have also been made by external organisations to manage projects which have received council funding, such as the High Street Challenge Fund.
23. The arts team have the skills and experience to deliver these complex commissions attaining high quality with relatively small budgets. If organisations were to employ an external consultant the fees are around £250 per day.
24. It is recommended that the arts team have the ability to charge a 10% fee on internal projects and 15% to external clients on projects under £20,000 (appendix 3). Whilst this doesn't represent the total costs incurred to manage these projects, it does ensure that they are managed by expert professionals, whilst giving the service some recharge.
25. Requests for project management for larger projects and commissions of over £20,000 will be negotiated on a case by case basis.

Resource implications

26. Table 1 shows the events budget for 2015/16 and the anticipated income level for 2016/17 arising from the proposed fees and charges increases.

27. 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 – Events , Arts and Film Service: Discretionary Fees and Charges

Business Unit / Income Stream	2015/16 Budget £	2016/17 Estimated Income Budget £
Events hires (CM715-94213)	35,000	35,000
Film service (CM719- 94213)	175,000	175,000
Arts service (LH200- 94213)	n/a	5,000

Budget assumptions and implications

28. 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.
29. New project management charges introduced in 2016/17 for the arts team are very competitive and go to support the resource required to deliver these projects.

Staffing implications

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

Community impact statement

31. 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.
32. 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.
33. 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

34. Formal consultation is not required on the above fees and charges. However with over 180 anticipated event days in 2015/16 (153 have taken place at 11/11/15) and an anticipated 800 film days (415 have taken place at 31/09/15) there is regular

consultation with local organisations, stakeholders, businesses and members on a range of event and film subjects. Once approved, notification of fee increases will be published through the appropriate channels.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

35. This report seeks approval of the proposed fees and charges for the events, arts and film service for 2016/17 which will take effect on 1 April 2016 if approved.
36. The decision to approve the report recommendation is a matter reserved to the cabinet member for individual decision making in accordance with Part 3D paragraph 3 of the council's constitution.
37. 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.
38. 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.
39. 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.
40. 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.
41. 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 Governance

42. This report recommends that the deputy leader and cabinet member for business, employment and culture agrees the proposed non-statutory fees and charges for Events, Arts and Film Service for 2016/17, with an implementation date of 1 April 2016.
43. 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.
44. Officer time to effect the recommendation will be contained within existing budgeted revenue resources.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Equality analysis	160 Tooley Street, London SE1 3QH	Paul Cowell, Events & Arts Manager - Paul.Cowell@southwark.gov.uk

APPENDICES

No.	Title
Appendix 1	Detail of proposed Events fees 2016/17
Appendix 2	Detail of proposed Film fees 2016/17
Appendix 3	Detail of proposed Arts fees 2016/17
Appendix 4	Event fees benchmarking
Appendix 5	Film fees benchmarking

AUDIT TRAIL

Lead Officer	Deborah Collins, Strategic Director, Environment & Leisure	
Report Author	Adrian Whittle, Director of Leisure	
Version	Final	
Dated	13 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		13 January 2016